NEW ISSUE **NOT RATED**
BOOK-ENTRY ONLY

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

$31,260,000
BASE VILLAGE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF SNOWMASS VILLAGE, COLORADO)
GENERAL OBLIGATION LIMITED TAX
REFUNDING BONDS
SERIES 2016A

The Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A (the "Bonds") are issued as fully registered bonds in denominations of $500,000 or any integral multiple of $1,000 in excess thereof, pursuant to an Indenture of Trust (the "Indenture") between Base Village Metropolitan District No. 2 (the "District") and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee"). The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See "THE BONDS – Book-Entry Only System."

The Bonds bear interest at the rates set forth below, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2017, to and including the maturity dates shown below, unless the Bonds are redeemed earlier, by check or draft mailed to the registered owner of the Bonds, initially Cede & Co. The principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the Trustee, as the paying agent for the Bonds. See "THE BONDS."

MATURITY SCHEDULE

$11,785,000 5.500% Term Bonds Due December 1, 2036 – Price: 100.000% (CUSIP Number:† 069781AA0)
$19,475,000 5.750% Term Bonds Due December 1, 2046 – Price: 100.311%* (CUSIP Number:† 069781AB8)

* Priced to the optional redemption date of December 1, 2024.

Dated: Date of Delivery

INVESTMENT IN THE BONDS INVOLVES RISK. THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. POTENTIAL INVESTORS SHOULD READ THIS ENTIRE LIMITED OFFERING MEMORANDUM TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION, AND SHOULD GIVE PARTICULAR ATTENTION TO THE SECTION ENTITLED "RISK FACTORS." THE BONDS ARE NOT APPROPRIATE FOR ALL INVESTORS, AND ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS" AS DEFINED IN SECTION 32-1-103(6.5), COLORADO REVISED STATUTES.

This Limited Offering Memorandum contains information which was not included in the Preliminary Limited Offering Memorandum dated December 1, 2016, reflecting certain events which occurred on or after December 1, 2016. See "INTRODUCTION – Changes to Preliminary Limited Offering Memorandum."

The Bonds constitute limited tax general obligations of the District payable solely from and to the extent of the Pledged Revenue, which is generally defined as ad valorem property taxes from the Required Mill Levy (defined herein) imposed by the District; Specific Ownership Tax Revenue (defined herein); Capital Facility Fee Revenue (defined herein) and Capital Levy Revenue (defined herein), consisting of ad valorem property taxes from the Capital Levy (defined herein) imposed by Base Village Metropolitan District No. 1 ("District No. 1") in the event of a Shortfall (defined herein) pursuant to the Capital Pledge Agreement (defined herein). The Bonds are additionally secured by the Reserve Fund, which will initially be funded in the amount of $654,168, by amounts in the Surplus Fund, which will initially be funded in the amount of $2,000,000 and by the Supplemental Fund, which will initially be funded in the amount of $9,686,535 but is subject to release if certain development occurs. See "SECURITY FOR THE BONDS." The Bonds are not obligations of the Town of Snowmass Village, Pitkin County or the State of Colorado.

The Bonds are subject to redemption prior to maturity at the option of the District, to mandatory sinking fund redemption and to extraordinary mandatory redemption under certain circumstances set forth in the Indenture. See "THE BONDS – Prior Redemption."

Proceeds of the Bonds and a prior reserve fund will be used to: (i) refund the Refunded Bonds (defined herein); (ii) fund the Reserve Fund; (iii) fund the Surplus Fund; and (iv) pay the costs of issuing the Bonds. See "USES OF PROCEEDS."

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter subject to the approval of legality of the Bonds by Kutak Rock LLP, Denver, Colorado, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., Denver, Colorado, has acted as Underwriter's counsel. Certain legal matters will be passed upon for the Districts by their general counsel, White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado. North Slope Capital Advisors, Denver, Colorado, has acted as Municipal Advisor to the District. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 22, 2016.

D|A DAVIDSON
D.A. Davidson & Co. member SIPC

This Limited Offering Memorandum is dated December 16, 2016.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

USE OF INFORMATION IN THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum, which includes the cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Limited Offering Memorandum in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District or the Underwriter.

The information set forth in this Limited Offering Memorandum has been obtained from the District, from the sources referenced throughout this Limited Offering Memorandum and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of information received from parties other than the District. The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. In accordance with its responsibilities under federal securities laws, the Underwriter has reviewed the information in this Limited Offering Memorandum but does not guarantee its accuracy or completeness. This Limited Offering Memorandum contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Limited Offering Memorandum are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Limited Offering Memorandum.

This Limited Offering Memorandum has been prepared only in connection with the original offering of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the District, the Bonds and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Base Village Metropolitan District No. 2
(In the Town of Snowmass Village, Colorado)

Municipal Advisor to the District

North Slope Capital Advisors
Denver, Colorado

Trustee, Registrar and Paying Agent

UMB Bank, n.a.
Denver, Colorado

General Counsel

White Bear Ankele Tanaka & Waldron Professional Corporation
Centennial, Colorado

Bond Counsel

Kutak Rock LLP
Denver, Colorado

Underwriter's Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Underwriter

D.A. Davidson & Co.
Denver, Colorado

TABLE OF CONTENTS

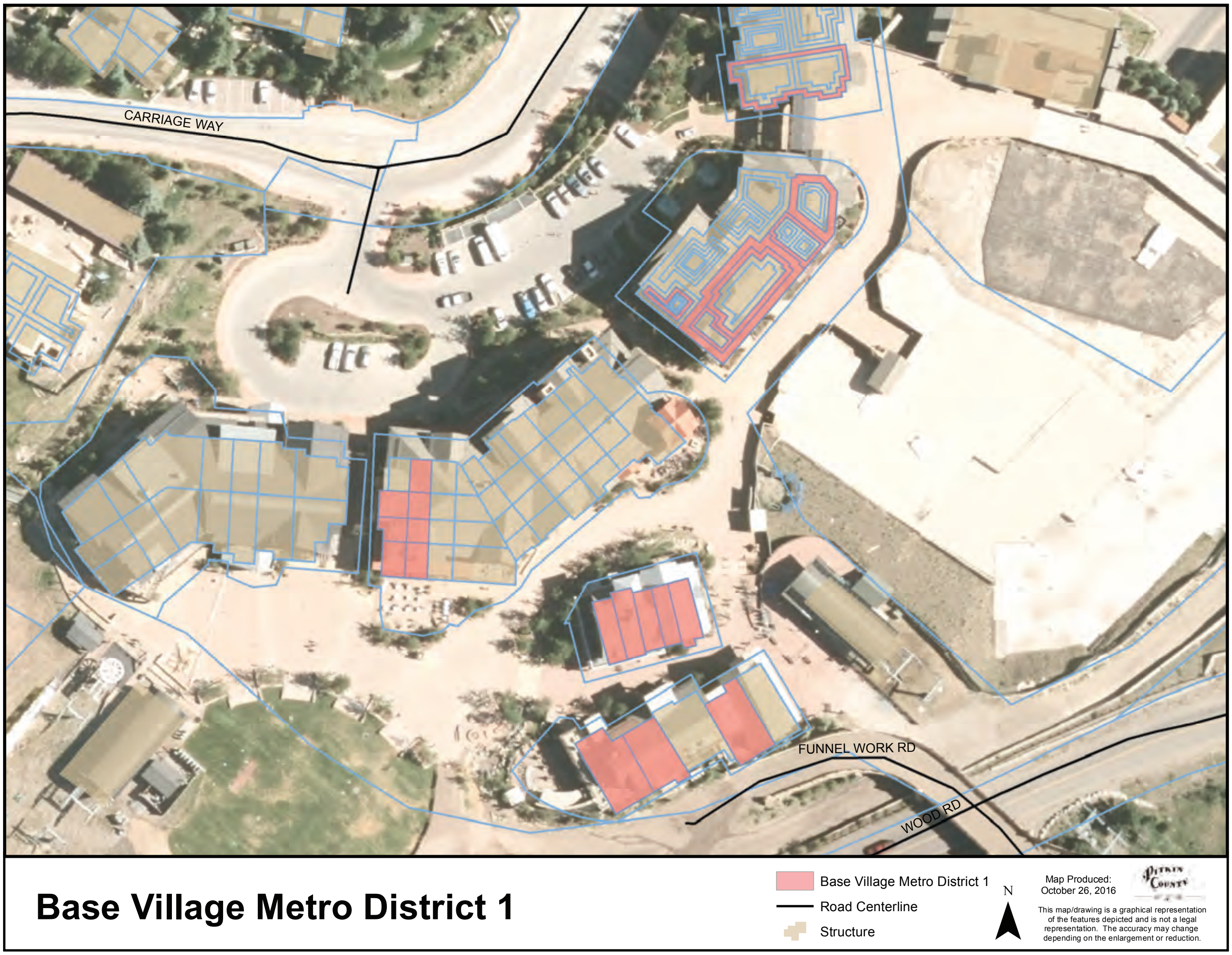
INDEX OF TABLES

NOTE: Tables marked with an (*) indicate information to be updated pursuant to the Continuing Disclosure Agreement. See "INTRODUCTION – Continuing Disclosure Undertaking" and Appendix F.

(1) Only those portions of the table involving the direct debt of the Districts are subject to the continuing disclosure undertaking.

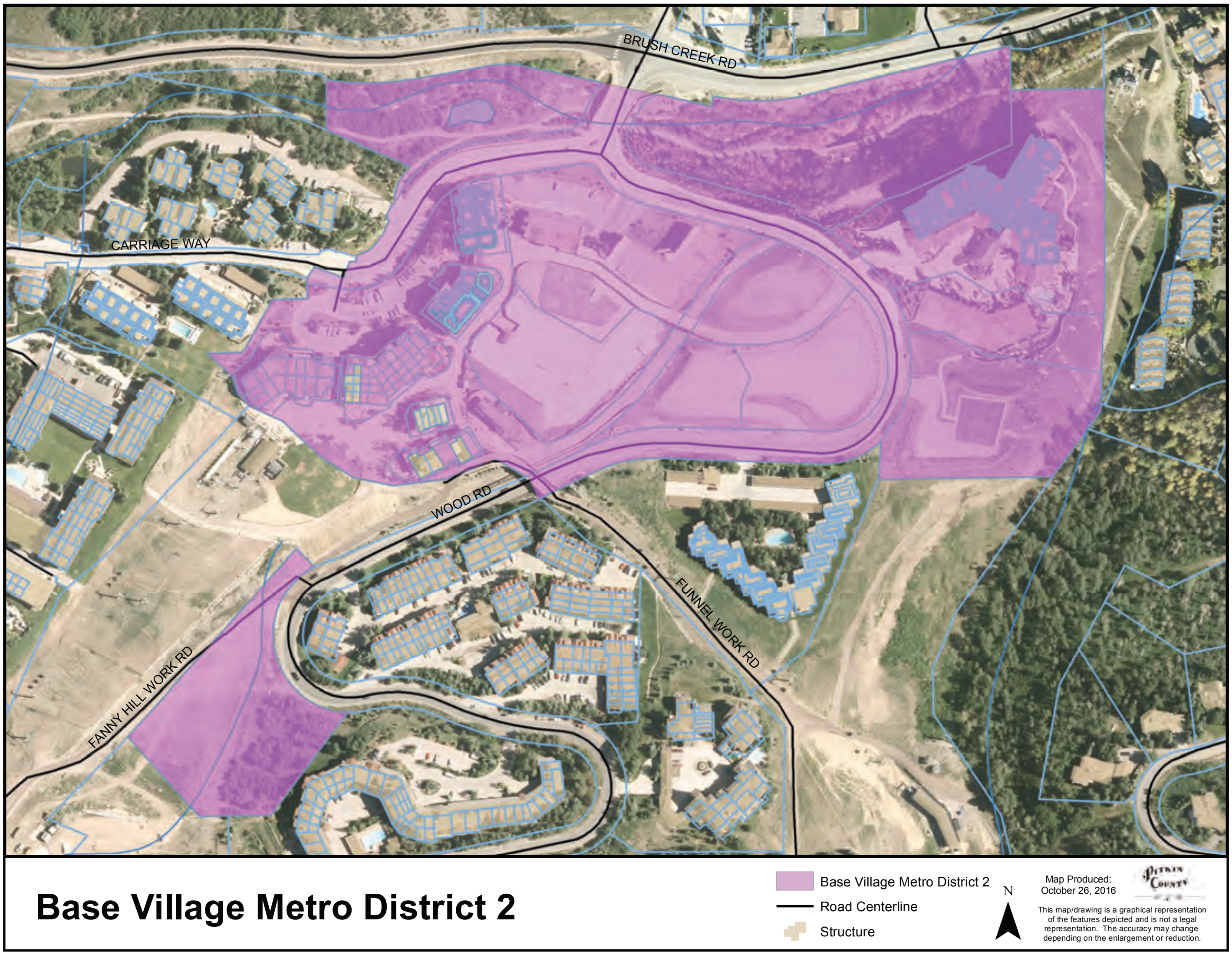
MAP OF DISTRICT NO. 1

NOTE: Does not reflect certain condominium units in Building 13A which have been included in District No. 1. See "THE DISTRICT – Organization and Description."



MAP OF DISTRICT NO. 2

NOTE: Does not reflect certain condominium units in Building 13A which have been excluded from District No. 2. See "THE DISTRICT – Organization and Description."



AERIAL PHOTOGRAPH

LIMITED OFFERING MEMORANDUM

$31,260,000
BASE VILLAGE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF SNOWMASS VILLAGE, COLORADO)
GENERAL OBLIGATION
LIMITED TAX REFUNDING BONDS
SERIES 2016A

INTRODUCTION

General

This Limited Offering Memorandum, which includes the cover page and the appendices, provides information in connection with the offer and sale of the Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A (the "Bonds"), to be issued by Base Village Metropolitan District No. 2 (the "District" or "District No. 2"), a political subdivision of the State of Colorado (the "State"), in the total aggregate principal amount of $31,260,000.

The Bonds will be issued pursuant to a resolution (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board") prior to the issuance of the Bonds. The Bonds will also be issued pursuant to an Indenture of Trust between the District and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee"), dated as of December 22, 2016 (the "Indenture"). The Districts (defined below) will also execute and deliver a Capital Pledge Agreement dated as of December 22, 2016 (the "Capital Pledge Agreement") in connection with the issuance of the Bonds.

The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein, particularly the section entitled "RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Limited Offering Memorandum, including the cover page and appendices, is unauthorized. Undefined capitalized terms have the meanings given in the Indenture or the Capital Pledge Agreement. See Appendices G and H.

Changes from Preliminary Limited Offering Memorandum

This Limited Offering Memorandum includes certain information which was not available for inclusion in the Preliminary Limited Offering Memorandum dated December 1, 2016 (the "PLOM"), including the final use of proceeds of the Bonds and the maturity dates, interest rates, prices, redemption provisions, and other terms of the Bonds. In addition, the following changes have been made to the PLOM:

1. The Cash Flow Forecast attached to the PLOM as Appendix D has been revised to reflect the final debt service schedule on the Bonds and has been replaced with a new Cash Flow Forecast attached hereto as Appendix D. In addition, the Cash Flow Forecast has been revised to take into account the matter described below in paragraph 5.

2. The table "Completed, Partially Completed and Planned Buildings in the Development" in the section "THE DEVELOPMENT" has been revised to correct an error: commercial development is expected in Building 10A rather than Building 10B (this information was correct in the Market Analysis and elsewhere in the PLOM). Also, the table in "SECURITY FOR THE BONDS – Other Funds – Supplemental Fund" has been revised to correct an error: the buildings tied to the release of the Supplemental Fund are Buildings 4, 5, 7 and 8, rather than Buildings 4, 5, 6 and 7 as stated in the PLOM.

3. On December 1, 2016, the Pitkin County Assessor released the final certified assessed valuations of the Districts and other local governments. The information in "INTRODUCTION – The Districts" and "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT" has been revised accordingly. The assessed value of District No. 1 did not change from the preliminary value disclosed in the PLOM. The assessed value of District No. 2 increased $10 from the preliminary value disclosed in the PLOM. In addition, information regarding the final 2016 assessed valuations of overlapping entities has been updated in the table "Estimated Overlapping General Obligation Indebtedness."

4. On December 7, 2016, East West assigned its interest in the Purchase Agreement to the Developer, and on December 15, 2016, the Sale of the Prior Developer's Interest to the Developer was closed into escrow. The information in "INTRODUCTION – The Developer" and "THE DEVELOPMENT – General Description" has been revised accordingly.

5. On December 9, 2016, the Pitkin County District Court issued orders which confirm that eight commercial condominium units were excluded from District No. 2 and included into District No. 1, effective June 9, 2008. The notations on **MAP OF DISTRICT NO. 1** and **MAP OF DISTRICT NO. 2** on pages v and vi, respectively, have been revised accordingly (new maps reflecting this boundary correction are not yet available from the County). In addition, the Cash Flow Forecast attached hereto as Appendix D has been adjusted to account for all eight units being in District No. 1. In the Cash Flow Forecast attached to the PLOM, Clifton assumed that only seven of the eight units had been excluded from District No. 2 and included within District No. 1.

6. On December 12, 2016, the board of directors of each District certified each District's 2016 mill levies (for collection in 2017) to the Pitkin County Treasurer. The table "Mill Levies for the Districts" in "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT" has been revised accordingly.

7. On December 15, 2016, a newspaper article was printed stating that certain taxpayers intend to void the action of the Boards taken in connection with refinancing the

District's debt. On December 16, 2016, the District's designated election official approved a form of recall petition from certain property owners within the District. The description of recent property owner challenges to the composition of the Boards has been revised accordingly. See "THE DISTRICTS – Governing Boards – Recent Property Owner Challenge to Board Composition" and "LEGAL MATTERS – Litigation."

The Districts

General. The District and Base Village Metropolitan District No. 1 ("District No. 1") are special districts formed pursuant to Title 32, Article 1, Colorado Revised Statutes ("C.R.S.") (the "Special District Act"). The District and District No. 1 are referred to herein together as the "Districts." Each of the Districts was formed in December 2004, pursuant to an Order and Decree of the Pitkin County District Court. Formation of the Districts was preceded by the approval by the Town of Snowmass Village (the "Town") of a Service Plan dated September 1, 2004, as amended and restated on October 17, 2006 (as amended and restated, the "Service Plan").

The Districts together contain approximately 30 acres of property within the Town, approximately 19 acres of which consists of the site of the "Base Village" development in the Town ("Base Village" or the "Development"). District No. 1 consists solely of commercial condominium units in the Development, and District No. 2 consists of approximately 30 acres of property and buildings, minus the commercial condominium units which are within District No. 1. The remaining approximately 11 acres of property in District No. 2 are owned by the Town (which owns approximately 9 acres of nondevelopable wetlands) and by Brush Creek Land Company, LLC, an affiliate of Aspen Skiing Company, an affiliate of which is a member of the Developer (this entity owns approximately 1.9 acres constituting the Fanny Hill Site (defined below in "The Development")).

Since the formation of the Districts, District No. 2 has issued debt to finance the construction of various public improvements described herein, and District No. 1 has agreed to impose taxes to assist with the payment of this debt. In addition, District No. 1 owns and operates the Conference Center (as defined herein). District No. 1 also operates a portion of the Main Parking Garage (as defined herein) for use as public parking and operates the Transit Center in the Main Parking Garage. District No. 1 currently performs management functions for both Districts pursuant to the Master District IGA (as defined in "THE DISTRICTS – Agreements of the Districts") (through the date of issuance of the Bonds) and is expected to continue to perform such functions pursuant to the Operations Agreement (as defined in "THE DISTRICTS – Agreements of the Districts") (after the date of issuance of the Bonds).

Description, Location and Maps. The Development is located in the Town at the base of Snowmass Ski Resort ("Snowmass"). The Town is located in the western part of the State of Colorado (the "State") approximately eight miles west of Aspen, Colorado and approximately 170 miles southwest of Denver, Colorado. The population of the Town was 2,863 as of July 2015. See **MAP OF DISTRICT NO. 1**, **MAP OF DISTRICT NO. 2** and **AERIAL PHOTOGRAPH** on pages vi-viii.

<u>Assessed Valuation of the District and District No. 1</u>. The 2016 certified assessed valuation of the property within the District is $36,709,840 and within District No. 1 is $2,580,880, for a total 2016 certified assessed valuation of the property within the Districts of $39,290,720. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Tax Data."

The Development

<u>Base Village</u>. The Development consists of the Base Village development in the Town. Base Village is located at the base of Snowmass at the bottom of the Fanny Hill and Assay Hill ski runs and at the base of the Assay Hill Chairlift, the Village Express Chairlift, the Elk Camp Gondola and the Sky Cab Gondola. Base Village is planned to contain a total of approximately 1,094,131 square feet, including approximately 637,572 square feet of market-rate condominium development (containing a total of approximately 504 units), approximately 47,518 square feet of commercial hotel development (containing approximately 102 hotel rooms), approximately 22,069 square feet of employee housing units (containing a total of approximately 28 units) and approximately 183,216 square feet of commercial (retail, restaurant and office) development. An additional approximately 203,756 square feet is planned to consist of common areas located in the various buildings. The Development is planned to include five underground parking garages totaling approximately 1,021 spaces.

Development began in 2006 but was discontinued in 2009. Between 2006 and 2009, seven buildings were completed, totaling approximately 430,487 square feet of residential and commercial development, or approximately 39.3% of the total planned square feet of development (the "Completed Buildings"). In addition, two of the planned five underground parking garages were constructed, consisting of the 614-space Main Parking Garage (defined herein) and the 200-space Building 13AB Parking Garage (defined herein). Also, between 2006 and 2009, construction was commenced, but not completed, on six additional buildings (the "Partially Completed Buildings"). In addition to the seven Completed Buildings and the six Partially Completed Buildings, the Development plan includes four additional buildings (the "Remaining Planned Buildings"), for a total of 17 planned buildings. *No construction activity has occurred since 2009.* See "THE DEVELOPMENT."

There is no assurance that construction of the Development will be completed as currently planned. See "RISK FACTORS – Continuation of Development Not Assured." Snowmass Acquisition Company LLC, an affiliate of the Related Companies, a New York real estate company (the "Prior Developer"), and its predecessors, have received Town approvals for the completion of the Partially Completed Buildings and for the construction of the Remaining Planned Buildings and other remaining portions of the Development; provided, however, that approval for certain future construction is conditioned upon certain events which have not yet occurred. See "THE DEVELOPMENT – Land Entitlements and Public Approvals."

<u>Fanny Hill Site</u>. The District includes a 1.9 acre parcel which is not contiguous with the Development and is not a part of the Development, located several hundred feet west of the Development adjacent to the Fanny Hill ski run (the "Fanny Hill Site"). The Fanny Hill Site is owned by Brush Creek Land Company, LLC. The Developer (defined below) expects to have

an option to purchase the Fanny Hill Site. The Fanny Hill Site is currently vacant. See "THE DEVELOPMENT – Fanny Hill Site."

Development History; Pending Acquisition by Snowmass Ventures, LLC. The concept of Base Village was first announced in 2002, when Aspen Skiing Company began a partnership with Intrawest to develop a new base village at Snowmass. Construction began in 2006. Following changes in ownership related to the foreclosure of the Development during the recent recession, the Prior Developer acquired the Development in 2012. On September 22, 2016, the Prior Developer entered into a purchase and sale contract (the "Purchase Agreement") with East West Partners, Inc., a Colorado corporation ("East West") for the sale (the "Sale") of the Prior Developer's Interest (defined below). East West has announced the formation of a joint venture to acquire the Prior Developer's Interest, the members of which are expected to be an affiliate of East West, an affiliate of Aspen Skiing Company and an affiliate of KSL Capital Partners, LLC ("KSL"). The joint venture is Snowmass Ventures, LLC (the "Developer"). East West assigned its interest in the Purchase Agreement to the Developer on December 7, 2016. The "Prior Developer's Interest" consists generally of the commercial condominium units in the Completed Buildings, the Partially Completed Buildings, the remaining undeveloped property which comprise the sites of the Remaining Planned Buildings and 66 completed residential condominium units in Building 13A. The Sale closed into escrow on December 15, 2016. The release of this escrow with all conditions satisfied, except for the issuance of the Bonds, is a condition to the issuance of the Bonds. The Sale and the issuance of the Bonds will occur simultaneously. See "THE DEVELOPMENT – General Description – History and Ownership" and "THE DEVELOPMENT – The Developer."

Security for the Bonds

General. The Bonds constitute limited tax general obligations of the District payable solely from and to the extent of the Pledged Revenue. The primary component of the Pledged Revenue is expected to be ad valorem property tax revenues imposed and collected by the District and pledged to the payment of the Bonds pursuant to the Indenture. The amount of the District's mill levy which is pledged to the Bonds varies depending upon the level of current revenues and expenditures at the time the mill levy is imposed. See "Pledged Revenue and the Required Mill Levy" below, and "SECURITY FOR THE BONDS – Levels." Under certain circumstances described herein, District No. 1 is also obligated to impose and collect ad valorem property taxes to support the payment of the Bonds. Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the Districts. See "SECURITY FOR THE BONDS."

The Bonds are additionally secured by the Reserve Fund, which will initially be funded in the amount of $654,168, by the Surplus Fund, which will initially be funded in the amount of $2,000,000 and will be funded in the future with excess Pledged Revenue, if any, and by the Supplemental Fund, which will be funded in the amount of $9,686,535, but is subject to release as development occurs. See "SECURITY FOR THE BONDS – Funds and Accounts." The Pledged Revenue may or may not be sufficient to pay the principal of and interest on the Bonds. *No representation is made by the District or the Underwriter that the Pledged Revenue, amounts on deposit in the Reserve Fund, the Surplus Fund, or the Supplemental Fund, if any, will be sufficient to pay the principal of and interest on the Bonds. See "RISK FACTORS,"* *"SECURITY FOR THE BONDS"and "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT."*

Pledged Revenue and the Required Mill Levy. "Pledged Revenue" is defined in the Indenture as: (a) the Required Mill Levy; (b) the Specific Ownership Tax Revenue; (c) the Capital Facility Fee Revenue; (d) the Capital Levy Revenue (from which Shortfalls shall be paid); and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Trustee for application as Pledged Revenue. See "SECURITY FOR THE BONDS – Pledged Revenue."

"Required Mill Levy" is generally defined in the Indenture as: (a) during a Level A Period, Level B Period, Level C Period, and Level D Period (all as defined herein), an ad valorem mill levy imposed upon all taxable property of the District each year equal to 37.5 mills, subject to adjustment as described herein; and (b) during a Level E Period and Level F Period, an ad valorem mill levy imposed upon all taxable property of the District each year equal to 43.5 mills, subject to adjustment as described herein. The foregoing Levels are described and defined in "SECURITY FOR THE BONDS – Levels."

"Specific Ownership Tax Revenue" is defined as the specific ownership taxes collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute allocable to the imposition by the District of the Required Mill Levy.

"Capital Facility Fee Revenue" is defined as the revenue derived by the District from imposition and collection of the Capital Facility Fees. "Capital Facility Fees" are defined, generally, as a one-time fee imposed by the District in the amount of $5,150 per residential dwelling unit at the time of initial sale of the unit.

"Capital Levy Revenue" is defined as the sum of the tax revenue from the Capital Levy plus the Specific Ownership Tax Revenue applicable such Capital Levy, less costs of collection. "Capital Levy" is defined as an ad valorem mill levy imposed upon all taxable property of District No. 1 each year in the number of mills necessary to produce Capital Levy Revenue in an amount at least equal to the amount of the applicable Shortfall, but such mill levy shall not exceed 43.5 mills, subject to adjustment. "Shortfall" is defined and described in "SECURITY FOR THE BONDS – Capital Levy Revenue" and Appendix H.

Limited Tax Pledge. The Required Mill Levy and the Capital Levy are limited to certain maximum mill levies described in the Indenture and the Capital Pledge Agreement, respectively. Neither District is obligated to impose an unlimited mill levy to pay debt service on the Bonds. See "SECURITY FOR THE BONDS – The Required Mill Levy" and " – Capital Levy Revenue." In the event that the Pledged Revenue is insufficient to pay the Bonds when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semi-annually at the rate then borne by the Bonds until the total repayment obligation of the District for the Bonds equals the amount permitted by law. *During this period of accrual, the District will not be in default on the payment of such principal and interest, and the Owners will have no recourse against the District or District No. 1 to require such payments (other than to require the District to continue to impose the Required Mill Levy and collect the Pledged Revenue as provided in the Indenture and to require District No. 1 to continue to impose the*

Capital Levy pursuant to the Capital Pledge Agreement). In addition, the District will not be liable to Owners for unpaid principal and interest beyond the amount permitted by law, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Purpose

Proceeds of the Bonds and a prior reserve fund will be used to: (i) refund the Refunded Bonds (defined herein); (ii) fund the Reserve Fund; (iii) fund the Surplus Fund; and (iv) pay the costs of issuing the Bonds. See "USES OF PROCEEDS."

The Bonds; Prior Redemption

The Bonds are issued solely as fully registered certificates in the denomination of \$500,000 or any integral multiple of \$1,000 in excess thereof. The Bonds mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the cover page hereof. The payment of principal and interest on the Bonds is described in "THE BONDS – Payment of Principal and Interest; Record Date." The Bonds are subject to redemption prior to maturity at the option of the District, to mandatory sinking fund redemption and to extraordinary mandatory redemption, as more particularly described in "THE BONDS – Prior Redemption."

Authority for Issuance

The Bonds are issued in full conformity with the constitution and laws of the State, particularly the Special District Act and Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act"), and pursuant to the Bond Resolution, the District No. 2 Elections (defined herein) and the Indenture.

Book-Entry Registration

The Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Bonds. Purchases of Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See "THE BONDS – Book-Entry Only System" and Appendix E.

Tax Status

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

Professionals

Kutak Rock LLP, Denver, Colorado, is acting as Bond Counsel. D.A. Davidson & Co., Denver, Colorado will act as the underwriter for the Bonds (the "Underwriter"). See "UNDERWRITING." Sherman & Howard L.L.C., Denver, Colorado, is acting as counsel to the Underwriter. White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado, represents the Districts as general counsel. Davis Graham & Stubbs LLP, Denver, Colorado, represents the Developer in connection with the Sale and the issuance of the Bonds. UMB Bank, n.a., Denver, Colorado will act as the trustee, paying agent and registrar for the Bonds (collectively, the "Trustee"). The Districts' general purpose financial statements have been audited by Wagner Barnes & Griggs, P.C., Certified Public Accountants, Lakewood, Colorado, to the extent and for the period indicated in their reports thereon.

Continuing Disclosure Undertaking

Although the Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, section 240.15c2-12) (the "Rule") because the Bonds are issued in denominations of at least $100,000 and will be sold to 35 or fewer sophisticated investors, the District and the Developer have agreed, pursuant to the provisions of the Continuing Disclosure Agreement dated as of the date of delivery of the Bonds (the "Continuing Disclosure Agreement"), to provide certain information to the Trustee on a quarterly basis for dissemination to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access ("EMMA") and to provide the Trustee with notice of certain material events for filing with EMMA. The Developer's obligation is subject to termination as described in the Continuing Disclosure Agreement, at which time the District's obligation converts to an annual filing obligation. The form of the Continuing Disclosure Agreement is attached hereto as Appendix F. Neither of the Districts have previously been parties to any continuing disclosure obligations under the Rule.

Delivery Information

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to prior sale, the approving legal opinion of Bond Counsel (the form of which is attached hereto as Appendix I), and certain other matters. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 22, 2016.

Additional Information

All references herein to the Indenture, Bond Resolution, Capital Pledge Agreement and other documents are qualified in their entirety by reference to such documents. Additional information and copies of the documents referred to herein are available from the following sources, as applicable:

Base Village Metropolitan District No. 2
c/o White Bear Ankele Tanaka & Waldron
Professional Corporation
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Telephone: (303) 858-1800

D.A. Davidson & Co.
1550 Market Street, Suite 300
Denver, Colorado 80202
Telephone: (303) 764-6000

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, including but not limited to the Market Analysis (defined herein) attached as Appendix C, the Cash Flow Forecast (defined herein) attached as Appendix D and the information in "RISK FACTORS," contains statements relating to future results that are "forward-looking statements." When used in this Limited Offering Memorandum, the words "estimate," "intend," "expect," "anticipate," "plan," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material. For a discussion of certain of such risks, see the following section, "RISK FACTORS." The Market Analysis and the Cash Flow Forecast contain additional assumptions and projections which should be reviewed. See "RISK FACTORS – Risks Related to the Forecasts" and Appendices C and D.

RISK FACTORS

Each prospective purchaser of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the District to pay the Bonds is subject to various risks and uncertainties which are discussed throughout this Limited Offering Memorandum. Certain of such investment considerations are set forth below. This section of this Limited Offering Memorandum does not purport to summarize all of the risks. Investors should read this Limited Offering Memorandum in its entirety.

The Bonds are offered only to financial institutions and institutional investors in minimum denominations of $500,000, will not receive a credit rating from any source, and are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds. By purchasing the Bonds, each purchaser represents that it is a financial institution or an institutional investor with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Bonds.

Limited Security

General. The Bonds are general obligation limited tax bonds of the District payable solely from and to the extent of the Pledged Revenue as described herein. The security for the payment of the Bonds is generally dependent upon the generation of property tax and specific ownership tax revenues derived from the District's imposition of the Required Mill Levy under the Indenture and District No. 1's imposition of the Capital Levy under the Capital Pledge Agreement in the event of a Shortfall (as defined herein). The Bonds are not obligations of the Town, the County or the State. Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the Districts.

The Bonds are additionally secured by the Reserve Fund which will be initially funded in the amount of $654,168 and by the Surplus Fund, which will be initially funded in the amount of $2,000,0000 and will be funded annually with excess Pledged Revenue, if any, if necessary, until the Maximum Surplus Amount (defined herein as either the amount of $1,000,000 or $2,000,000, depending on certain conditions set forth in the Indenture) is met and thereafter if necessary to replenish the Surplus Fund to the Maximum Surplus Amount. The Bonds are further secured by the Supplemental Fund, which will be funded in the amount of $9,686,535 but is subject to release if certain development occurs. See "SECURITY FOR THE BONDS – Funds and Accounts."

The Pledged Revenue may or may not be sufficient to pay the principal of and interest on the Bonds. No representation is made by the District or the Underwriter that the Pledged Revenue, amounts on deposit in the Reserve Fund, the Surplus Fund, or the Supplemental Fund, if any, will be sufficient to pay the principal of and interest on the Bonds.

Limited Tax Pledge of the Districts. **The Required Mill Levy of District No. 2 under the Indenture is limited to a maximum of 37.5 mills (subject to adjustment as provided in the Indenture) during certain periods, and to a maximum of 43.5 mills (subject to adjustment as provided in the Indenture) during certain other periods. The Capital Levy of District No. 1 under the Capital Pledge Agreement is also limited to a maximum of 43.5 mills (subject to adjustment as provided in the Capital Pledge Agreement).** To the extent interest on any Bond is not paid when due, such interest is to compound annually on each interest payment date for the Bonds, at the rate then borne by the Bonds; provided, however, that, notwithstanding anything in the Indenture to the contrary, the District is not required to be obligated to pay more than the amount permitted by law and the District No. 2 Elections in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount, and District No. 1 is not required to be obligated to pay more than the amount permitted by law and the District No. 1 Elections in repayment of its obligations under the Capital Pledge Agreement. *During this period of accrual, the District will not be in default on the payment of such principal and interest, and the Owners will have no recourse against the District to require such payments (other than to require the District to continue to impose the Required Mill Levy and apply the other Pledged Revenue as set forth in the Indenture and to require District No. 1 to continue to impose the Capital Levy as set forth in the Capital Pledge Agreement).*

Risks Related to Property Tax Revenues

Generally. The level of property tax revenues generated by the District's imposition of the Required Mill Levy and by District No. 1's imposition of the Capital Levy depends upon the assessed valuation of the property within each District and their ability to collect property taxes. The primary source of security for the Bonds is expected to be property taxes imposed by the Districts. This section describes certain risks related to such property tax revenues.

Valuation and Uses of Property. The assessed value of property in the Districts for ad valorem property tax purposes is determined according to a procedure described under "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes." Assessed valuations may be affected by a number of factors beyond the control of the Districts. Assessed valuations are subject to decrease due to local, regional and/or national market conditions. Property owners are entitled to challenge the valuations of their property. No assurance can be given that owners of property in the Districts will not seek to do so. Further, property used for tax-exempt purposes may not be subject to taxation by the Districts, and property owners are not prohibited from selling property to tax-exempt purchasers. Finally, it is possible that some or all of the property in the Districts could be condemned for public use, in which case it may no longer be subject to taxation by the Districts.

Resort Community Risks; Prior Declines in the Town's Assessed Value. The Districts are located in the resort community of Snowmass, Colorado. The economy of Snowmass and the Roaring Fork Valley (which also contains Aspen) depends heavily upon the tourism and resort industry, particularly skiing, golf and other forms of recreation, and the real estate, retail sales, restaurant and lodging businesses. The residential condominiums in the

District are primarily vacation homes or investment properties used as short- or long-term rentals, and the commercial property in the Districts consists entirely of retail, restaurant and real estate businesses. In addition, a hotel is planned to be constructed within the Development (and planned to be included within District No. 1). Accordingly, the Snowmass economy, and therefore the Districts' assessed values, are particularly susceptible to local, regional, national and international economic conditions, and are also impacted by the cost, accessibility, and continued desirability of recreational facilities and amenities that Snowmass and Aspen offer, among other factors. See "THE DEVELOPMENT" and "ECONOMIC AND DEMOGRAPHIC INFORMATION." From levy year 2010 to levy year 2011, during the recession, the assessed valuation of the property in the entire Town decreased 26.4%. From levy year 2011 to levy year 2016, it has decreased an additional 4.8%. There is no assurance that another large decline in the assessed valuation of the property in the Town (including the Districts) will not occur in the future. Developments such as Base Village may be particularly susceptible to changes in assessed valuation, both positive and negative. See "Risks Related to the Projections," below and Appendix D. Future assessed values which are lower than forecasted could materially impact the ability of the District to pay debt service on the Bonds.

In addition, the economy of the Town, and therefore the economic success of the Development, is closely tied to the Snowmass Ski Resort and its ability to operate and successfully attract skiers and summer guests. Snowmass Ski Resort is operated on land owned by the United States of America and managed by the U.S. Forest Service. The U.S. Forest Service allows the Snowmass Ski Resort to operate pursuant to a Special Use Permit which was issued in 1995 and expires on December 31, 2034, prior to the final maturity date of the Bonds. Although Aspen Skiing Company has maintained valid permits for Snowmass Ski Resort since it opened in 1967, there is no guarantee the permit will be renewed. Further, although Snowmass Ski Resort and surrounding area receive numerous summer visitors, the winter skiing season is the primary tourist season. There is no guarantee that climate change or other environmental factors will not cause the ski season to be shortened or terminated entirely. Any of these events would be expected to have an adverse impact on the future assessed valuation of the property in the Districts.

Should any of these events result in lower assessed valuations of property in the Districts, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the level at which property is assessed for tax purposes, each District's ability to enforce and collect the property tax is dependent upon the property in the relevant District having sufficient fair market value to support the taxes which are imposed. No assurance can be given as to the future market values of property in the Districts.

Dependence Upon Timely Payment of Property Tax; Tax Collections. Delinquency in the payment of property taxes by property owners within the Districts would impair the District's ability to meet its debt service requirements on the Bonds in a timely manner. Property taxes do not constitute personal obligations of a property owner. While the current year's taxes constitute a lien upon assessed property and the county treasurer of Pitkin County is required by statute to offer for sale delinquent property to satisfy the Districts' tax lien for the year in which the taxes are in default, this remedy can be time-consuming. Furthermore, any such tax sale would be only for the amount of taxes due and unpaid for the particular tax year in question. In addition, the Districts' ability to enforce tax liens could be delayed by bankruptcy laws and other laws affecting creditor's rights generally. During the pendency of any bankruptcy of any property owner, the parcels owned by such property owner could be sold only if the bankruptcy court approves the sale. No assurance is provided that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment. If the property taxes are not paid over a period of years, the District's ability to pay principal and interest on the Bonds could be materially adversely affected.

District No. 1 Shortfall Pledge

In the event of a Shortfall, District No. 1 is obligated by the Capital Pledge Agreement to pay to the District an amount equal to the lesser of (i) the amount of the Shortfall for the applicable Senior Bond Year or (ii) the Capital Levy Revenue received by District No. 1 in such Senior Bond Year. District No. 1 is a separate governmental entity from the District. Although the boards of directors of District No. 1 and the District currently are comprised of the same individuals, there is no assurance this will continue in the future. If a Shortfall occurs, the District will be depending on District No. 1 to comply with the terms of the Capital Pledge Agreement in order to fund the Shortfall.

Continuation of Development Not Assured

The property in the Development is currently approximately 39% complete, measured by existing and planned square feet of buildings. See "THE DEVELOPMENT - Completed, Partially Completed and Planned Buildings." No portion of the Fanny Hill Site is currently developed. See "THE DEVELOPMENT – Fanny Hill Site." The Developer currently expects to pursue the completion of the Development and the Fanny Hill Site in the manner described in "THE DEVELOPMENT" and reflected in the Market Analysis and Cash Flow Forecast. There is no assurance, however, that all or any portion of the remainder of the Development or the Fanny Hill Site will be completed as currently planned by the Developer. The Developer is not obligated to complete the construction of the Partially Constructed Buildings, to construct the Remaining Planned Buildings, to develop the Fanny Hill Site, or to further develop the property in the Districts in any manner; provided, however, that the Developer will lose certain development rights if it does not meet certain development milestones set forth in the Amended PUD.

The Developer also has the ability to pursue an amendment to the Amended PUD and the Fanny Hill PUD and thereby alter the development plans described herein. See "THE DEVELOPMENT – Land Entitlements and Public Approvals – Amended PUD" and "THE DEVELOPMENT – Fanny Hill Site." Further, the Developer could sell all or any portion of its interests in the Development and the Fanny Hill Site to other entities which elect not to pursue the current development plan or any development plan. If the Developer elects not to develop the property in the manner and timing described herein, if the Developer is prevented from developing the property in this manner and timing, or if the Developer sells its property to other entities which do not develop it in this manner and timing, the assessed value of the property in the Districts may be insufficient to generate Pledged Revenue in amounts sufficient to pay debt service on the Bonds.

In addition, the District's general counsel recently received a letter from a property owner in the District requesting that certain Board actions be deferred, questioning the qualifications of Board members and requesting that Board members be recalled. It is possible that the existence of challenges and/or complaints from property owners could negatively impact future development within the District. See "THE DISTRICTS – Governing Board – Recent Property Owner Challenge to Board Composition."

Concentration of Taxpayers

The largest taxpayer within the District is Snowmass Acquisition Company LLC (also referred to herein as the "Prior Developer"), which owns 60.27% of the estimated current assessed valuation of the property in the District. The largest taxpayer within District No. 1 is also Snowmass Acquisition Company LLC, which owns 77.02% of the estimated current assessed valuation of the property in District No. 1. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Tax Data." On December 15, 2016, the sale of the Prior Developer's Interest in the property in the Districts closed into escrow and the escrow is expected to be released on the date of issuance of the Bonds. See "THE DEVELOPMENT – General Description – History and Ownership" and "THE DEVELOPMENT – The Developer." The Developer has stated its intention to have certain parcels conveyed to affiliated entities, but all such affiliated entities would be under the common ownership of the Developer. A high percentage of the taxable property in both Districts, therefore, is concentrated in only one taxpayer. The second highest taxpayer is Aspen Skiing Company, which owns 17.57% and 6.42%, respectively, of the property in District No. 1 and the District.

No representation is made about the financial condition or stability of the Developer or Aspen Skiing Company, their affiliated entities or any other property owners or their ability to pay property taxes levied on their properties within the Districts. Property taxes on land are not personal obligations of the owners of property within the Districts, and the property owners within the Districts have not guaranteed the payment of the principal of or interest on the Bonds. Should adverse economic conditions or other factors negatively impact the ability of taxpayers in the Districts to pay property taxes levied by the applicable District, the security for the Bonds would be diminished, increasing the risk of nonpayment.

Risks Related to the Projections

The District has retained RCLCO, Bethesda, Maryland ("RCLCO"), to prepare a "Market Analysis for Future Development at Snowmass Base Village" dated November 28, 2016 (the "Market Analysis"), and has retained its accountants, CliftonLarsonAllen LLP, Certified Public Accountants, Greenwood Village, Colorado ("Clifton") to prepare a "Forecasted Surplus Cash Balances and Cash Receipts and Disbursements" report dated as of December 16, 2016 (the "Cash Flow Forecast").

Market Analysis. The Market Analysis is attached hereto as Appendix C, and should be read in its entirety. The primary purpose of the Market Analysis is to provide the District with an overview of the local market economy and the competitive market area of the Development and to provide RCLCO's conclusions about the marketability, competitive positioning, product mix and absorption levels that should be achievable within the Development. The Market Analysis is dated November 28, 2016, and has not been reviewed or updated by RCLCO since that date. It is possible that conditions have changed in the District since the date of the report which would cause RCLCO to change the Market Analysis. ***The Market Analysis is based on key assumptions made by RCLCO and, like any forecast, is inherently subject to variations in the assumed data. Actual results will vary from those projected, and such variations may be material. See "FORWARD-LOOKING STATEMENTS."***

Cash Flow Forecast. The Cash Flow Forecast is attached hereto as Appendix D, and should be read in its entirety. In the Cash Flow Forecast, Clifton has used the results of the Market Analysis and certain other assumptions to estimate the Pledged Revenue available each year that the Bonds are expected to be outstanding, and has compared such projections with the debt service on the Bonds. The Cash Flow Forecast includes an alternative scenario in Note 12 thereof in which the growth assumptions described in the primary forecast have been slowed, as further described in the Cash Flow Forecast. Clifton also serves as the District's accountants and is not independent with respect to the District. ***The Cash Flow Forecast is based on the Market Analysis and certain assumptions described in the Cash Flow Forecast and, like any forecast, is inherently subject to variations in the assumed data. Actual results will vary from those projected, and such variations may be material. See "FORWARD-LOOKING STATEMENTS."***

Competition With Other Developments

Both the residential and commercial portions of the Development compete with other similar developments in Snowmass, Aspen, Vail and other Colorado resort communities. Additional future developments may be constructed which further compete with current and planned development in Base Village and on the Fanny Hill Site. See the Market Analysis attached as Appendix C for information regarding competition to the Development and the development planned for the Fanny Hill Site.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the "Service") has announced a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Service agrees (a) with the determination of bond counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could be expected to adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Bonds can be sold. The Indenture does not provide for any adjustment to the interest rates borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. Owners of the Bonds should note that, if the Service audits the Bonds, under current audit procedures the Service will treat the District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the Service. No transaction participants, including the District, the Underwriter and Bond Counsel, are obligated to pay or reimburse the owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also "TAX MATTERS" herein.

Potential Conflicts of Interest

Four of the five members of the Board of Directors of the District (the "Board") and the Board of Directors of District No. 1 (the "District No. 1 Board" and together with the Board, the "Boards") are officers or employees of the Prior Developer or entities related to the Prior Developer, and the fifth member is an employee of Aspen Skiing Company, an affiliate of which is a member of the joint venture which constitutes the Developer in the redevelopment of Base Village. The membership of the Boards is expected to change after the sale of the Prior Developer's Interest to the Developer, although the future composition of the Boards is not known at this time.

The issuance of the Bonds and the application of the proceeds therefrom, as well as other activities of the Districts, may involve conflicts of interest. See "THE DISTRICTS – Conflicts of Interest." By statute, a director must disqualify himself or herself from voting on any issue in which he or she has a conflict of interest unless he or she has disclosed such conflict of interest in a certificate filed with the Secretary of State and the Boards at least 72 hours in advance of any meeting in which such conflict may arise. However, compliance with such statute does not provide absolute certainty that contracts between the District or District No. 1 and persons related to their Directors, such as the Prior Developer, the Developer or Aspen Skiing Company, will not be subject to defenses or challenge on the basis of alleged conflicts. The interested members of the Boards complied with the statute by disclosing their conflicts prior to Board meetings applicable to the Bond issuance, and did not disqualify themselves from voting. The Boards of Directors for both of the Districts are currently identical.

Enforceability of Capital Facility Fees

The Pledged Revenue includes the Capital Facility Fees. "Capital Facility Fees" are defined as the fees imposed and collected by the District pursuant to the Resolution of Base Village Metropolitan District No. 2 to Establish a Capital Facility Fee adopted by the Board on November 28, 2016, including any amendments or supplements made thereto in accordance with the terms thereof and of the Indenture (the "Capital Facility Fee Resolution").

The Capital Facility Fee Resolution states that the Capital Facility Fees constitute a perpetual lien on and against the property in the Districts, shall be in a senior position as against all other liens of record and may be foreclosed in the manner authorized by law. The Special District Act provides that such liens may be foreclosed in the same manner as mechanic's liens. The Districts expect to record the Capital Facility Fee Resolution with the County Clerk and Recorder prior to the date of issuance of the Bonds.

The District's general counsel is expected to issue a legal opinion stating, generally, that in the opinion of such firm, the Capital Facility Fee is in the nature of a fee permitted by the Special District Act and may be pledged to the Bonds, the Capital Facility Fee constitutes a perpetual lien on the property served, such a lien would have priority over other encumbrances except for liens for taxes, assessments and other government rates, fees, tolls and charges, and no election is required to impose the Capital Facility Fee. The opinion of general counsel, however, is subject to important assumptions and limitations, and is not a guaranty as to the foregoing matters. It is possible that the validity of the Capital Facility Fees could be challenged and there is no assurance that a court would uphold the validity of the Capital Facility Fees or would find that the lien of such fees is superior over other liens. In addition, the actions necessary to legally enforce the collection of unpaid Capital Facility Fees may be prohibitively costly and such expenses could exceed the amount subject to collection. The District does not have funds set aside for payment of such enforcement activity.

Legal Constraints on District Operations

The Districts are formed pursuant to statute and exercises only limited powers. Various State laws and constitutional provisions govern the assessment and collection of general ad valorem property taxes, limit revenues and spending of the State and local governments and limit rates, fees and charges imposed by such entities, including the Districts. There can be no assurance that the application of such provisions, or the adoption of new provisions, will not have a material adverse effect on the affairs of the Districts. See "LEGAL MATTERS – Certain Constitutional Limitations."

Limitations on Remedies Available to Owners of Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds may be subject to the federal bankruptcy code (unless limited as described in the following paragraph), and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations, which could result in a lien on the Pledged Revenue which is superior to the lien thereon of the applicable series of Bonds and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings (if available) or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The Special District Act provides that Colorado special districts may not seek protection under the federal bankruptcy code unless the special district is unable to discharge its obligations as they become due by means of a mill levy of not less than 100 mills. The Required Mill Levy is a limited mill levy. Accordingly, it may not be possible under State law for the Districts to file for bankruptcy, and no bankruptcy trustee will be available to represent the creditors of the District, including the Owners of the Bonds.

Bankruptcy protection may be available to the Districts, however, if the Required Mill Levy ever equaled or exceeded 100 mills pursuant to their adjustment mechanisms, if the applicable District's operational mill levy ever exceeds the difference between 100 mills and the Required Mill Levy due to other unforeseen circumstances.

Future Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Districts. See "LEGAL MATTERS – Certain Constitutional Limitations."

Secondary Market; No Rating

While the Underwriter expects, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the Underwriter or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any. The District has not submitted an application to any securities rating agency with respect to the Bonds. The Bonds are offered only to financial institutions and institutional investors in minimum denominations of $500,000. Because the Bonds are not rated and are issued in large denominations, the secondary market for the Bonds, if any, is expected to be limited.

Restrictions on Purchase; Investor Suitability

The Bonds are being sold to one or more knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Any Bond purchaser must be a "financial institution or institutional investor" within the meaning of § 32-1-103(6.5), C.R.S. Moreover, the Bonds are being issued in Authorized Denominations of at least $500,000 of the principal amount Outstanding of a Bond at the applicable date of purchase or transfer of such Bond. Therefore, the Bonds should not be purchased by an investor unless the investor is able to hold such Bonds indefinitely.

The foregoing standards are minimum requirements for prospective purchasers of the Bonds. The satisfaction of such standards does not necessarily mean that the Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

USES OF PROCEEDS

Refunding Project

The net proceeds of the Bonds will be used refund, on a current refunding basis: (a) all of the District's Senior Limited Tax Refunding Loan, Series 2013A (the "2013A Loan"); and (b) a portion of the District's Subordinate Limited Tax Revenue Refunding Bonds, Series 2013B (the "2013B Bonds" and together with the 2013A Loan, the "Refunded Bonds"). The 2013A Loan is outstanding in the amount of $18,445,000 and will be paid on the date of issuance of the Bonds, plus accrued interest. As of December 22, 2016, the 2013B Bonds are expected to be outstanding in the amount of $23,760,000, in addition to accrued interest in the amount of $4,285,457, for a total amount due on the 2013B Bonds of $28,045,457. A portion of the net proceeds of the Bonds, and all of the net proceeds of the Series 2016B Subordinate Bonds (defined herein), will be used to repay $23,677,617 of the principal and interest due on the 2013B Bonds, leaving $4,367,840 of principal and/or interest remaining unpaid. This remaining amount will be forgiven by the owner of the 2013B Bonds on the date of issuance of the Bonds, at which time all 2013B Bonds will be deemed paid in full and cancelled.

Sources and Uses of Funds

The sources and uses of funds for the Bonds and for the Series 2016B Subordinate Bonds are anticipated to be as shown in the table below. The Series 2016B Subordinate Bonds will be issued on the date of issuance of the Bonds in a private placement to the owner of the 2013B Bonds in partial repayment thereof, and are then expected to be transferred to the Developer or a related entity as part of the exchange of consideration in connection with the Sale.

Sources and Uses of Funds

Sources:	Series 2016A Senior Bonds	Series 2016B Subordinate Bonds	Total
Bond proceeds	$31,260,000.00	$13,330,000.00	$44,590,000.00
Premium	60,567.25	--	60,567.25
Funds on hand	1,401,019.27	--	1,401,019.27
TOTAL	$32,721,586.52	$13,330,000.00	$46,051,586.52
Uses:			
Payment of the 2013A Loan	$18,477,816.73	$ --	$18,477,816.73
Payment of the 2013B Bonds	10,347,617.29	13,330,000.00	23,677,617.29
Deposit to the Reserve Fund	654,168.23	--	654,168.23
Deposit to the Surplus Fund	2,000,000.00	--	2,000,000.00
Costs of issuance, underwriting discount (see "UNDERWRITING") and contingency	1,241,984.27	--	1,241,984.27
TOTAL	$32,721,586.52	$13,330,000.00	$46,051,586.52

Source: The Underwriter.

THE BONDS

General Description

The Bonds will be issued in the principal amount, will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Bond issue, reference is made to the Indenture and the Bond Resolution, copies of which are available from the District prior to delivery of the Bonds. See "INTRODUCTION – Additional Information." Undefined capitalized terms have the meanings given in the Indenture or the Capital Pledge Agreement. See Appendices G and H.

Authorized Denominations

The Bonds are being issued in "Authorized Denominations," defined in the Indenture to mean, initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that: (a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date; (b) in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof; and (c) the Authorized Denominations shall be reduced to $1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., or any successor statute, or has taken other actions which permit the Bonds to be issued in denominations of $1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act, Title 11, Article 59, C.R.S., or any successor statute.

Payment of Principal and Interest; Record Date

The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest, which date need not be an Interest Payment Date.

Interest payments shall be paid by check or draft of the Trustee mailed on or before the interest payment date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Trustee; provided that the District shall not be required to make funds available to the Trustee prior to the dates on which such interest would otherwise be payable under the Indenture, nor to incur any expenses in connection with such alternative means of payment.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything in the Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Prior Redemption

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity and in whole or partial maturities, on December 1, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2021 – November 30, 2022	3%
December 1, 2022 – November 30, 2023	2%
December 1, 2023 – November 30, 2024	1%
December 1, 2024 and thereafter	0%

Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 2036, also are subject to mandatory sinking fund redemption prior to the maturity date of such Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
2020	$ 85,000
2021	285,000
2022	385,000
2023	410,000
2024	475,000
2025	500,000
2026	570,000
2027	600,000
2028	680,000
2029	715,000
2030	800,000
2031	845,000
2032	940,000
2033	990,000
2034	1,090,000
2035	1,150,000
2036(1)	1,265,000

(1) Final maturity, not a sinking fund redemption.

The Bonds maturing on December 1, 2046, also are subject to mandatory sinking fund redemption prior to the maturity date of such Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
2037	$1,330,000
2038	1,455,000
2039	1,540,000
2040	1,680,000
2041	1,775,000
2042	1,930,000
2043	2,040,000
2044	2,210,000
2045	2,335,000
2046(1)	3,180,000

(1) Final maturity, not a sinking fund redemption.

With respect to each maturity of the Bonds subject to mandatory sinking fund redemption, on or before forty-five (45) days prior to each sinking fund installment date as set forth above, the Trustee shall select for redemption, by lot in such manner as the Trustee may determine, from the Outstanding Bonds, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date shall be reduced by the principal amount of any Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions shall be applied in such year or years as may be determined by the District.

Extraordinary Mandatory Redemption.

(a) The Bonds are subject to extraordinary mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount so redeemed plus accrued and unpaid interest thereon, without redemption premium, on December 1, 2019, from and to the extent of amounts on deposit in the Supplemental Fund on October 15, 2019.

(b) The Trustee shall, on December 1, 2019, redeem as many Bonds as can be redeemed from amounts on deposit, if any, in the Supplemental Fund on October 15, 2016.

(c) Bonds to be redeemed pursuant to an extraordinary mandatory redemption shall be redeemed proportionately from each maturity of Bonds based on their respective outstanding principal, and Bonds within each maturity to be redeemed shall be selected by the Trustee in $1,000 units of principal amount by lot or in such other equitable manner as the Trustee may determine.

Redemption Procedure and Notice. If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, except for Bonds redeemed pursuant to "Extraordinary Mandatory Redemption" which shall be selected as provided in paragraph (c) above under the caption "Extraordinary Mandatory Redemption," the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption. The Bonds shall be redeemed only in integral multiples of $1,000. In the event a Bond is of a denomination larger than $1,000, a portion of such Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $1,000. In the event a portion of any Bond is redeemed, the Trustee shall, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid), or by electronic means to DTC or its successors, not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the District. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Book-Entry Only System

The Bonds will be available only in book-entry form in Authorized Denominations. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity, as set forth on the cover page of this Limited Offering Memorandum, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix E – Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the District nor the Trustee will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined herein), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Bonds as further described in Appendix E to this Limited Offering Memorandum.

SECURITY FOR THE BONDS

Limited Tax Obligations

The Bonds constitute limited tax general obligations of the District as provided in the Indenture. All of the Bonds, together with the interest thereon and any premium due in connection therewith, are payable solely from and to the extent of the Pledged Revenue (defined below), and the Pledged Revenue is pledged to the payment of the Bonds. The Bonds constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. See "RISK FACTORS – Limited Security for the Bonds" and "– Risks Related to Property Tax Revenues." Undefined capitalized terms have the meanings given in the Indenture or the Capital Pledge Agreement. See Appendices G and H.

The Bonds are additionally secured by the Reserve Fund, which will be initially funded in the amount of $654,168, by the Surplus Fund, which will be initially funded in the amount of $2,000,000 and is required to be funded in the future with excess Pledged Revenue, if any, and by the Supplemental Fund, which will be initially funded in the amount of $9,686,535, but is subject to release if certain development occurs. See "SECURITY FOR THE BONDS – Flow of Funds."

The Bonds are not secured directly by any lien on property located within the Districts; rather they are secured by, among other things, the District's covenant to certify to the Board of County Commissioners the Required Mill Levy and, under certain circumstances, District No. 1's covenant to certify to the Board of County Commissioners the Capital Levy. The Required Mill Levy and Capital Levy create statutory tax liens which may be enforced to the extent that taxes are delinquent in a given year. ***The Bonds are not obligations of the Town, the County or the State.***

Pledged Revenue

"Pledged Revenue" is defined in the Indenture as:

(a) the Required Mill Levy;

(b) the Specific Ownership Tax Revenue;

(c) the Capital Facility Fee Revenue;

(d) the Capital Levy Revenue (from which Shortfalls shall be paid); and

(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

The Required Mill Levy

In the Indenture, the District covenants that for the purpose of paying the principal of, premium if any, and interest on the Bonds, funding and, if necessary, replenishing the Surplus Fund and, if necessary, replenishing the Reserve Fund, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2016 to 2045, inclusive (and, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 2045) in the amount of the Required Mill Levy. Nothing in the Indenture shall be construed to require the District to levy an ad valorem property tax in an amount in excess of the Required Mill Levy.

The Indenture defines "Required Mill Levy" as the following (see "Levels" below, for a description of the Levels):

(a) During a Level A Period, Level B Period, Level C Period, and Level D Period, subject to clause (c) below, means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year equal to 37.5 mills; provided that in the event the method of calculating assessed valuation is or was changed after October 23, 2006 (being the date of approval of the Districts' Service Plan), such mill levy shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) During a Level E Period and Level F Period, subject to clause (c) below, means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year equal to 43.5 mills; provided that in the event the method of calculating assessed valuation is or was changed after October 23, 2006 (being the date of approval of the Districts' Service Plan), such mill levy shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(c) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Capital Facility Fees

Capital Facility Fees is defined in the Indenture as the fees imposed by the District pursuant to the Capital Facility Fee Resolution. "Capital Facilities Fee Resolution" is defined as the Resolution of Base Village Metropolitan District No. 2 to Establish a Capital Facility Fee adopted by the Board on November 28, 2016, as the same may be further amended from time to time in accordance with the terms thereof and of the Indenture.

The Capital Facility Fee Resolution states that District No. 2 desires to impose a capital facility fee with respect to property located within District No. 2 for costs associated with the provision of public improvements described in the Service Plan. Pursuant to the resolution, a Capital Facility Fee is established by the District for each residential living unit to be constructed within District No. 2 as a one-time charge at the rate of $5,150 per unit. The amount of the fee may be increased by the Board. Capital Facility Fees are due and owing and shall be paid by the purchaser at the closing of the initial sale of the unit. Any unpaid fees after 5 days shall be assessed a late fee of 5% per month, not to exceed 25% of the total amount due, and shall be subject to interest at the rate of 18% per annum. The District is authorized to administer the collection of the fee and may institute collection efforts on the 41st calendar day after the date of initial billing. In accordance with the Special District Act, all Capital Facility Fees shall constitute a perpetual lien on and against the property charged. The Special District Act provides that liens of this type are to be enforced in the same manner as mechanic's liens under State law. See "RISK FACTORS – Enforceability of Capital Facility Fees."

Specific Ownership Tax Revenue

"Specific Ownership Tax Revenue" is defined in the Indenture as the specific ownership taxes collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, which are allocable to the imposition by the District of the Required Mill Levy. Additional information regarding the specific ownership tax is provided in "FINANCIAL INFORMATION OF THE DISTRICTS – Sources of Revenues – Specific Ownership Taxes."

Capital Levy Revenue

Capital Levy. The Pledged Revenue includes the Capital Levy Revenue, which is defined as the sum of (a) ad valorem property tax revenue derived from imposition of the Capital Levy plus (b) the Specific Ownership Tax revenue allocable to such Capital Levy, less costs of collection.

"Capital Levy" is defined as:

> (a) subject to clause (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 1 each year in the number of mills necessary to produce Capital Levy Revenue in an amount at least equal to the amount of the applicable Shortfall, but such mill levy shall not exceed 43.5 mills; provided, however, that in the event the method of calculating assessed valuation is or was changed after October 23, 2006 (being the date of approval of the Districts' Service Plan), such mill levy shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the District No. 1 Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.
>
> (b) Notwithstanding anything in the Capital Pledge Agreement to the contrary, in no event may the Capital Levy be established at a mill levy which would cause District No. 1 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 1's electoral authorization, and if the Capital Levy as calculated pursuant to the provisions set forth below would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 1's electoral authorization, the Capital Levy shall be reduced to the point that such maximum tax increase is not exceeded.

The Capital Pledge Agreement states that due to the nature of the improvements and the proximity and interrelatedness of the development that has occurred and is anticipated to occur, the Districts previously determined that the improvements benefit the Districts' residents, property owners and taxpayers in the Districts as a whole. In light of the benefit derived by District No. 1's property owners and taxpayers from the improvements, District No. 1 agrees to be liable for a portion of the repayment of the Bonds and to be obligated to impose the Capital Levy for the Shortfall as described below.

Pursuant to the Capital Pledge Agreement, District No. 1 covenants to cause to be levied on all taxable property of District No. 1, direct annual taxes in each year where a Shortfall is expected to occur in the related collection year (such levy year constituting a "Shortfall Levy Year") in the amount of the Capital Levy for the purposes of funding the Shortfall in such following collection year. For purposes of the following description, "Senior Bond Trustee" includes the Trustee for the Bonds and "Senior Governing Instrument" includes the Indenture.

For definitions of other capitalized terms used below, see Appendix H – Summary of Certain Provisions of the Capital Pledge Agreement.

Shortfalls; Limited Tax General Obligation Pledge.

(a) ***Annual Determination of Shortfall***. If, in any Senior Bond Year, the sum of (i) the District No. 2 Annual Revenue received or expected to be received in such Senior Bond Year and (ii) the moneys in the Surplus Fund in excess of $1,000,000 are less than the Senior Debt Service Requirements for the same Senior Bond Year, such insufficiency shall constitute a "Shortfall" and a Shortfall shall be deemed to occur with respect to such Senior Bond Year.

(b) ***Payment of Shortfalls***. Upon the occurrence of a Shortfall, District No. 1 agrees to pay an amount equal to the lesser of (i) the amount of the Shortfall for the applicable Senior Bond Year or (ii) the Capital Levy Revenue received by District No. 1 in such Senior Bond Year (such amount constituting a "Shortfall Payment"). Shortfall Payments shall be paid by District No. 1 in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the Senior Bond Trustee (being the Trustee for the Bonds). District No. 1 agrees to make each Shortfall Payment (i) not later than May 1 of the applicable collection year in the event of a Budgetary Shortfall Notice (defined below) and (ii) not later than 30 days prior to the applicable Due Date in the case of a Pledged Revenue Shortfall Notice (defined below).

(c) ***Shortfall Notices***.

(i) *Budget/Levy Year Notices*. The Senior Bond Trustee shall be required under each applicable Senior Governing Instrument to, not later than September 30 of the levy/budget year where the Shortfall is expected to occur in the immediately succeeding year, provide written notice to District No. 1 of the occurrence and amount of each Shortfall (each, a "Budgetary Shortfall Notice") which notice shall direct District No. 1 to certify its Capital Levy in an amount sufficient to produce revenue in the succeeding year in the amount of the Shortfall and to include such amounts in its annual budget for such year. Each such notice shall also specify the applicable Due Date and include the Senior Bond Trustee's mailing address, address for delivery, and wiring instructions for the Shortfall Payment.

(ii) *Revenue Shortfalls During Senior Bond Year*. The Senior Bond Trustee shall also be required under each applicable Senior Governing Instrument to provide written notice to District No. 1 of the occurrence and amount of each Shortfall occurring during any Bond Year (each, a "Pledged Revenue Shortfall Notice") not later than 45 days prior to the applicable Due Date. Each such notice shall also specify the applicable Due Date and include the Senior Bond Trustee's mailing address, address for delivery, and wiring instructions for the Shortfall Payment.

(iii) *Provisions in Governing Instruments.* District No. 2 agrees to cause the inclusion of a provision in each additional Senior Governing Instrument entered into in the future, if any, to the effect that the Senior Bond Trustee shall provide notice to District No. 1 in a manner consistent with the provisions of this Section (c).

(d) ***Shortfalls; Budgets.*** If District No. 1 receives a Budgetary Shortfall Notice from the Senior Bond Trustee, District No. 1 agrees to certify its Capital Levy in the then current levy year assuming that such Shortfall will occur in the applicable collection year, and to reflect the same in its annual budget adopted in such levy year.

Pledge of Capital Levy Revenue; Payment Obligation. The obligation of District No. 1 to make Shortfall Payments as provided in the Capital Pledge Agreement shall constitute a limited tax general obligation of District No. 1 payable from Capital Levy Revenue or from other legally available revenue of District No. 1. District No. 1 pledges the Capital Levy Revenue to District No. 2 to secure District No. 1's obligations under the Capital Pledge Agreement. District No. 2 shall subsequently pledge its interest in and to the Capital Levy Revenue to the Senior Bond Trustee under the applicable Senior Governing Instrument for the benefit of the Senior Bondholders from time to time. District No. 2 authorizes and directs District No. 1 to pay (or cause to be paid) all Shortfall Payments to the Senior Bond Trustee. The obligation of District No. 1 to make Shortfall Payments as provided in the Capital Pledge Agreement (the "Payment Obligation") shall constitute an irrevocable and first priority lien upon the Capital Levy Revenue. District No. 1 hereby elects to apply all of the provisions of the Supplemental Act to its obligations under the Capital Pledge Agreement and the Payment Obligation.

Prior and Superior Obligations. District No. 1 acknowledges and agrees in the Capital Pledge Agreement that its obligations thereunder are prior and superior to all obligations of District No. 1 with respect to the Capital Levy Revenue including, without limitation, obligations of District No. 1 under the Operations Agreement and the Omnibus Reimbursement Agreement, and that District No. 1 shall first determine and impose ad valorem property taxes for Shortfall Payments in satisfaction of its Payment Obligation under the Capital Pledge Agreement up to the maximum mill levy required thereunder, without taking into account any mill levy to be imposed under the Operations Agreement or Omnibus Reimbursement Agreement.

Additional terms of the Capital Pledge Agreement are set forth in Appendix H.

Shortfalls; Capital Levy Revenue Pledge

The Indenture contains the following terms regarding Shortfalls and the Capital Levy Revenue pledge.

(a) ***Monitoring of Assessed Valuation***. The District shall obtain, in writing, from the Pitkin County Assessor the certified preliminary assessed valuation of property within the District as certified on or about August 25 each year, commencing August 25, 2017 (the "Preliminary AV"). Not later than September 10 of each year, commencing September 10, 2017, the District shall provide such written certification to the Trustee together with a computation of the amount of revenue anticipated to be received, based on such Preliminary AV, from (i) imposition by the District of the Required Mill Levy (as defined in clause (a) of the definition thereof in Section 1.01 of the Indenture) in the then current levy year plus (ii) the Specific Ownership Tax Revenue allocable to such mill levy. Based on such information, the Trustee shall ascertain whether the revenue received in the preceding clauses (i) and (ii), when combined with amounts then on deposit in the Surplus Fund in excess of $1,000,000, will be sufficient to pay the Annual Debt Service Requirements on the Bonds when due and, if necessary, replenish the Reserve Fund to the Reserve Requirement. In the event of an insufficiency, such insufficiency shall constitute a "Shortfall" and a Shortfall shall be deemed to occur in the immediately succeeding year.

(b) ***Annual Determination of Shortfall from Pledged Revenue Deposits***. If, with respect to any Bond Year, the Trustee determines that (i) the sum of (A) the District No. 2 Annual Revenue received in such Bond Year plus (B) the moneys in the Surplus Fund in excess of $1,000,000, is less than (ii) the sum of (A) the Annual Debt Service Requirements for the same Bond Year and (B) the amount necessary, if any, to replenish the Reserve Fund to the Reserve Requirement not later than the last day of such Bond Year (being December 1), such insufficiency shall constitute a "Shortfall" and a Shortfall shall be deemed to occur with respect to such Bond Year. The Trustee agrees to make a determination of any such Shortfall at the earliest time that the Trustee is in receipt of information reasonably sufficient to ascertain the existence thereof with respect to the applicable Bond Year.

(c) ***Shortfall Noticed to District No. 1***. (i) With respect to Shortfalls occurring pursuant to Section (a) above, the Trustee shall, not later than September 30 of the levy/budget year (where the Shortfall is deemed to occur in the immediately succeeding year), provide written notice to District No. 1 of the occurrence and amount of each Shortfall (each, a "Budgetary Shortfall Notice") which notice shall direct District No. 1 to prepare its annual budget and certify its Capital Levy sufficient to produce revenue in the amount of the Shortfall, and shall also include the Trustee's mailing address, address for delivery, and wiring instructions for the Shortfall Payment. (ii) With respect to Shortfalls occurring under Section (b) above, the Trustee shall provide written notice to District No. 1 of the occurrence and amount of each Shortfall (each, a "Pledged Revenue Shortfall Notice") not later than 45 days prior to the applicable Due Date. Each Pledged Revenue Shortfall Notice shall also specify the applicable Due Date and include the Trustee's mailing address, address for delivery, and wiring instructions for the Shortfall Payment.

(d) ***Shortfall Payments***. Following receipt of the Shortfall Notice from the Trustee, the Capital Pledge Agreement provides that District No. 1 is to pay an amount equal to the lesser of (i) the amount of the Shortfall for the applicable Bond Year or (ii) the Capital Levy Revenue received by District No. 1 in such Senior Bond Year (such amount constituting a "Shortfall Payment"). Shortfall Payments are to be paid by in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the Trustee not later than 30 days prior to the applicable Due Date.

(e) ***Deposit of Shortfall Moneys***. The Trustee agrees to deposit all Shortfall Payments in the Revenue Fund for application as provided the Flow of Funds described below.

(f) ***Capital Levy Revenue Pledge.*** Pursuant to the Capital Pledge Agreement, District No. 1 has pledged the Capital Levy Revenue to the District for payment of the Bonds and other Parity Bonds (subject to the limitations of the Capital Pledge Agreement), and the District has pledged such Capital Levy Revenue to the Trustee for the benefit of the Owners of the Bonds in the event of a Shortfall. The Capital Levy Revenue constitutes a part of the Trust

Estate under the Indenture. The pledge of the Capital Levy Revenue secures the obligations of District No. 1 to make Shortfall Payments in accordance with the Capital Pledge Agreement.

Funds and Accounts

The Indenture creates and establishes the following funds and accounts, which shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of the Indenture: (a) the Revenue Fund; (b) the Bond Fund; (c) the Reserve Fund; (d) the Surplus Fund; (e) the Supplemental Fund; and (f) the Costs of Issuance Fund.

Revenue Fund; Flow of Funds

The Indenture states the following regarding the Revenue Fund.

(a) ***Transfers of Pledged Revenue and Other Moneys***. On the date of issuance of the Bonds, the District shall transfer to the Trustee any moneys which it then holds which constitute Pledged Revenue including, without limitation, any Capital Facility Fees. Thereafter, the District shall transfer all amounts comprising Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof. In addition, in order to assure the proper application of moneys constituting Pledged Revenue, on and after the date of issuance of any other Parity Bonds or Subordinate Bonds, the District shall also transfer to the Trustee all moneys pledged to the payment of such Parity Bonds or Subordinate Bonds which are derived from either ad valorem taxes of the District or Specific Ownership Tax Revenue, and any such moneys shall constitute part of the Trust Estate.

(b) ***Deposits to Revenue Fund***. The Trustee shall deposit all Pledged Revenue and such other moneys as described above, if any, into the Revenue Fund promptly upon the receipt thereof. In addition, the Trustee shall credit to the Revenue Fund the following:

(i) funds representing Shortfalls;

(ii) investment earnings on amounts in the Reserve Fund in excess of the Reserve Requirement, if any;

(iii) investment earnings on amounts in the Surplus Fund in excess of the Maximum Surplus Amount, if any; and

(iv) amounts remaining in the Costs of Issuance Fund, if any, after payment of the costs of issuance of the Bonds.

(c) ***Flow of Funds***. Subject to the provisions of the Indenture described in "Levels," below, the Trustee shall, in each Bond Year, apply the Pledged Revenue received in that Bond Year and deposited in the Revenue Fund, together with any other amounts credited to the Revenue Fund in the same Bond Year pursuant to the provisions thereof, in the order of priority set forth below (the "Flow of Funds"). For purposes of the following: (i) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other, and (ii) when credits are required to go to funds or accounts which are not held by the Trustee under the Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the credit of the Bond Fund, the amounts required under "Other Funds - Bond Fund" below, and to the credit of any other similar fund or account established for the current payment of the principal of, premium if any, and interest on any other Parity Bonds, the amounts required by the applicable Senior Governing Instrument pursuant to which the Parity Bonds are issued;

SECOND: To the credit of the Reserve Fund, the amounts required under "Other Funds - Reserve Fund" below, and to the credit of any other Senior Reserve Fund established in connection with any other Parity Bonds to secure the payment of the principal of, premium if any, and interest on such Parity Bonds and fully funded as of the date of issuance of such Parity Bonds, the amounts required by the applicable Senior Governing Instrument pursuant to which such other Parity Bonds are issued;

THIRD: To the credit of the Surplus Fund the amounts required under "Other Funds - Surplus Fund" below, and to the credit of any other similar surplus fund or account established in connection with any other Parity Bonds to secure payment of the principal of, premium if any, and interest on such Parity Bonds but not fully funded as of the date of issuance of such Parity Bonds, the amounts required by the applicable Senior Governing Instrument pursuant to which such other Parity Bonds are issued;

FOURTH: To the credit of any other fund or account established for the payment of the principal of, premium if any, and interest on Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the documents pursuant to which the Subordinate Bonds are issued; and

FIFTH: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth above.

Levels

The Indenture states that in applying the Pledged Revenue and amounts in the funds and accounts held thereunder to the Annual Debt Service Requirements and other credits set forth in the Flow of Funds, the Trustee shall take into account the sources of revenue and other moneys in the funds held under the Indenture and ascertain the then applicable level of revenue (each, a "Level") as defined and described below. The Trustee shall utilize and apply the revenue at the lowest Level possible, with Level A Revenue being the lowest level and Level G Revenue being the highest Level.

(a) ***Level A***. At all times during a Level A Period, the Trustee shall apply only the Level A Revenue to the Annual Debt Service Requirements and other credits set forth in the Flow of Funds in the order of priority established therein. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level A Period"* means the period of time or times during which the Level A Revenue (defined below) equals or exceeds the Annual Debt Service Requirements for the applicable Bond Year.

(ii) *"Level A Revenue"* means the Pledged Revenue derived from the sources set forth in below, net of costs of collection:

(A) the Required Mill Levy (as defined in paragraph (a) of the definition thereof set forth in the Indenture);

(B) the Special Ownership Tax Revenue; and

(C) the Capital Facility Fee Revenue.

(b) ***Level B***. At all times during a Level B Period, the Trustee shall apply only the Level B Revenue to the Annual Debt Service Requirements as provided in the Flow of Funds. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level B Period"* means the period of time or times during which (1) the Level A Revenue is *less than* the Annual Debt Service Requirements for the applicable Bond Year and, as a result, (2) the Trustee shall apply Level B Revenue (defined below) to the Annual Debt Service Requirements.

(ii) *"Level B Revenue"* means the amount of Pledged Revenue and other moneys equal to the Annual Debt Service Requirements for the applicable Bond Year derived from the sources set forth below in the order of priority set forth below, net of costs of collection:

(A) the Level A Revenue; and

(B) the amounts on deposit in the Surplus Fund in excess of $1,000,000, if any.

(c) ***Level C***. At all times during a Level C Period, the Trustee shall apply only the Level C Revenue to the Annual Debt Service Requirements as provided in the Flow of Funds. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level C Period"* means the period of time or times during which (1) each of the (I) Level A Revenue and the (II) Level B Revenue are *less than* the Annual Debt Service Requirements for the applicable Bond Year and, as a result, (2) the Trustee shall apply Level C Revenue (defined below) to the Annual Debt Service Requirements.

(ii) *"Level C Revenue"* means the amount of Pledged Revenue and other moneys equal to the Annual Debt Service Requirements for the applicable Bond Year derived from the sources set forth below in the order of priority set forth below, net of costs of collection:

(A) the Level A Revenue;

(B) the amounts on deposit in the Surplus Fund in excess of $1,000,000, if any; and

(C) Shortfall Payments.

(d) ***Level D***. At all times during a Level D Period, the Trustee shall apply only the Level D Revenue to the Annual Debt Service Requirements as provided in the Flow of Funds. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level D Period"* means the period of time or times during which (1) each of the (I) Level A Revenue; (II) Level B Revenue; and (III) Level C Revenue is *less than* the Annual Debt Service Requirements for the applicable Bond Year and, as a result, (2) the Trustee shall apply Level D Revenue (defined below) to the Annual Debt Service Requirements.

(ii) *"Level D Revenue"* means the amount of Pledged Revenue and other moneys equal to the Annual Debt Service Requirements for the applicable Bond Year derived from the sources set forth below in the order of priority set forth below, net of costs of collection:

(A) the Level A Revenue;

(B) Shortfall Payments; and

(C) all remaining amounts on deposit in the Surplus Fund, if any.

(e) ***Level E***. At all times during a Level E Period, the Trustee shall apply only the Level E Revenue to the Annual Debt Service Requirements as provided in the Flow of Funds. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level E Period"* means the period of time or times during which (1) each of the (I) Level A Revenue; (II) Level B Revenue; (III) Level C Revenue; and (IV) the Level D Revenue is *less than* the Annual Debt Service Requirements for the applicable Bond Year and, as a result, (2) the Trustee shall apply Level E Revenue (defined below) to the Annual Debt Service Requirements.

(ii) *"Level E Revenue"* means the amount of Pledged Revenue and other moneys equal to the Annual Debt Service Requirements for the applicable Bond Year derived from the sources set forth below in the order of priority set forth below, net of costs of collection:

(A) the Level A Revenue; provided, however, that if, at the time of certifying the Required Mill Levy the District ascertains that Level E Revenue will be required in the applicable collection year in order to meet the Annual Debt Service Requirements, the District shall certify the levy set forth in clause (D) below, but shall apply that portion of the tax revenue from the Required Mill Levy (as defined in clause (a) of the definition thereof), together with the allocable Specific Ownership Tax Revenue and the Capital Facility Fee Revenue *first*, to the Annual Debt Service Requirements, prior to applying the other Level E Revenue as described below;

(B) Shortfall Payments;

(C) all remaining amounts on deposit in the Surplus Fund, if any; and

(D) the Required Mill Levy (as defined in paragraph (b) of the definition thereof set forth in the Indenture) and the Specific Ownership Tax Revenue allocable to such levy, each to the extent of the revenue from such sources remaining after the application of the revenue described in clause (A) above.

(f) ***Level F***. At all times during a Level F Period, the Trustee shall apply the Level F Revenue to the Annual Debt Service Requirements as provided in the Flow of Funds. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level F Period"* means the period of time or times during which (1) each of the (I) Level A Revenue; (II) Level B Revenue; (III) Level C Revenue; (IV) the Level D Revenue; and (V) Level E Revenue is *less than* the Annual Debt Service Requirements for the applicable Bond Year and, as a result, (2) the Trustee shall apply Level F Revenue (defined below) to the Annual Debt Service Requirements.

(ii) *"Level F Revenue"* means the amount of Pledged Revenue and other moneys equal to the Annual Debt Service Requirements for the applicable Bond Year derived from the sources set forth below in the order of priority set forth below, net of costs of collection:

(A) the Level A Revenue; provided, however, that if, at the time of certifying the Required Mill Levy the District ascertains that Level F Revenue will be required in the applicable collection year in order to meet the Annual Debt Service Requirements, the District shall certify the levy set forth in clause

(D) below, but shall apply that portion of the tax revenue from the Required Mill Levy (as defined in clause (a) of the definition thereof), together with the allocable Specific Ownership Tax Revenue and the Capital Facility Fee Revenue *first*, to the Annual Debt Service Requirements, prior to applying the other Level F Revenue as described below;

(B) Shortfall Payments;

(C) all remaining amounts on deposit in the Surplus Fund, if any;

(D) the Required Mill Levy (as defined in paragraph (b) of the definition thereof set forth in the Indenture) and the Specific Ownership Tax Revenue allocable to such levy, each to the extent of the revenue from such sources remaining after the application of the revenue described in clause (A) above; and

(E) amounts on deposit in the Supplemental Fund.

(g) ***Level G***. At all times during a Level G Period, the Trustee shall apply the Level G Revenue to the Annual Debt Service Requirements as provided in the Flow of Funds. The following capitalized terms shall have the respective meanings assigned to such terms set forth below.

(i) *"Level G Period"* means the period of time or times during which (1) each of the (I) Level A Revenue; (II) Level B Revenue; (III) Level C Revenue; (IV) the Level D Revenue; (V) Level E Revenue; and (VI) Level F Revenue is *less than* the Annual Debt Service Requirements for the applicable Bond Year and, as a result, (2) the Trustee shall apply Level G Revenue (defined below) to the Annual Debt Service Requirements.

(ii) *"Level G Revenue"* means the amount of Pledged Revenue and other moneys equal to the Annual Debt Service Requirements for the applicable Bond Year derived from the sources set forth below in the order of priority set forth below, net of costs of collection:

(A) the Level A Revenue; provided, however, that if, at the time of certifying the Required Mill Levy the District ascertains that Level G Revenue will be required in the applicable collection year in order to meet the Annual Debt Service Requirements, the District shall certify the levy set forth in clause (D) below, but shall apply that portion of the tax revenue from the Required Mill Levy (as defined in clause (a) of the definition thereof), together with the allocable Specific Ownership Tax Revenue and the Capital Facility Fee Revenue *first*, to the Annual

Debt Service Requirements, prior to applying the other Level G Revenue as described below;

(B) Shortfall Payments;

(C) all remaining amounts on deposit in the Surplus Fund, if any;

(D) the Required Mill Levy (as defined in paragraph (b) of the definition thereof set forth in the Indenture) and the Specific Ownership Tax Revenue allocable to such levy, each to the extent of the revenue from such sources remaining after the application of the revenue described in clause (A) above;

(E) amounts on deposit in the Supplemental Fund; and

(F) amounts on deposit in the Reserve Fund.

Other Funds

The Indenture establishes the following additional funds:

Bond Fund. The Indenture provides the following regarding the Bond Fund:

(a) Subject to the receipt of sufficient Pledged Revenue and in accordance with the applicable provisions described in “Levels” above, there shall be credited to the Bond Fund each Bond Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms of the Indenture), will be sufficient to pay the principal of, premium if any, and interest on the Bonds which has or will become due in the Bond Year in which the credit is made.

(b) Moneys in the Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the Indenture) shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Bonds, in the following order:

(i) First, to the payment of interest due in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

(ii) Second, to the extent any moneys are remaining in the Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

(c) In the event that available moneys in the Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the Indenture) are insufficient for the payment of the principal of, premium if any, and interest due on the Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

(i) First, the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond.

(ii) Second, the Trustee shall apply any remaining amounts to the payment of the principal of and premium, if any, on as many Bonds as can be paid with such remaining amounts, such payments to be in increments of $1,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the Bonds the principal of which is due and owing on the due date.

(d) *Levels of Revenue.* The Trustee shall apply Pledged Revenue and moneys in the funds and accounts held under the Indenture in accordance with the Level then in effect from time to time as described in the Flow of Funds.

Reserve Fund. The Indenture provides the following regarding the Reserve Fund:

(a) Subject to the receipt of sufficient Pledged Revenue, the Reserve Fund shall be maintained in the amount of the Reserve Requirement for so long as any Bond is Outstanding. It is acknowledged by the District that the use of moneys released from the Reserve Fund shall be subject to any pledges, liens, or other encumbrances thereon, including without limitation any lien or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

(b) Moneys in the Reserve Fund shall be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of or interest on the Bonds, and the Reserve Fund is pledged in the Indenture to the payment of the Bonds.

(c) In the event that a Level G Period is then in effect and the Level G Revenue set forth in Sections 3.06(g)(ii)(A), (B), (C), (D) and (E) of the Indenture (described above under “Levels – Level G” and defined as the “Other Level G Revenue”) is insufficient, when combined with moneys, if any, on deposit in the Bond Fund, to pay the principal of and/or interest on the Bonds when due, the Trustee shall transfer from the Reserve Fund to the Bond Fund an amount which, when combined with the Other Level G Revenue and amounts then in the Bond Fund, if any, will be sufficient to pay the principal of and/or interest on the Bonds when due. In the event that moneys in the Bond Fund, the Other Level G Revenue, and the Reserve Fund are together insufficient to make such payments when due, the Trustee will nonetheless transfer all moneys in the Reserve Fund to the Bond Fund. Moneys in the Surplus Fund and the Supplemental Fund shall be used for payment of the Bonds prior to any use of moneys in the Reserve Fund and moneys in the Reserve Fund shall only be used for payment of the Bonds during a Level G Period and in the order of priority established in Section 3.06(g)(ii) of the Indenture.

(d) If at any time the Reserve Fund is drawn upon or valued so that the amount of the Reserve Fund is less than the Reserve Requirement, then the Trustee shall, subject to “Levels” above, apply Pledged Revenue to the credit of the Reserve Fund in amounts sufficient to bring the amount credited to the Reserve Fund to the Reserve Requirement. Such deposits and payments shall be made at the earliest practicable time, but in accordance with and subject to the limitations of the Indenture. Nothing therein shall be construed as requiring the District to impose an ad valorem mill levy for the purpose of funding of the Reserve Fund in excess of the Required Mill Levy. For purposes of this section of the Indenture, investments credited to the Reserve Fund shall be valued on the basis of their current market value, as reasonably determined by the District, which value shall be determined at least annually, and any deficiency resulting from such evaluation shall be replenished as aforesaid. The amount credited to the Reserve Fund shall never exceed the amount of the Reserve Requirement.

(e) Notwithstanding the foregoing, Permitted Refunding Bonds may be secured by the Reserve Fund in the same fashion as the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds shall have a claim upon the Reserve Fund which ranks pari passu with the claim of the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

Surplus Fund. The Indenture provides the following regarding the Surplus Fund:

(a) Subject to the receipt of sufficient Pledged Revenue, the Surplus Fund shall be maintained for so long as any Bond is Outstanding.

(b) Upon issuance of the Bonds and from the proceeds thereof, the Surplus Fund shall be funded in the amount of $2,000,000, and thereafter, the Surplus Fund shall be funded solely from deposits of Pledged Revenue as provided in the Flow of Funds and, except to the extent Pledged Revenue is available under the Flow of Funds, the District has no obligation to fund the Surplus Fund after issuance of the Bonds in any amount.

(c) Subject to the receipt of sufficient Pledged Revenue and deposit thereof into the Surplus Fund pursuant to the Flow of Funds, the Surplus Fund shall be funded in an amount up to the Maximum Surplus Amount. "Maximum Surplus Amount" has the following meanings, each of which is the maximum amount of the Surplus Fund during the applicable periods of time: (x) for the period commencing on the date of issuance of the Bonds to, but not including, the earlier to occur of the date on which (i) the amount on deposit in the Surplus Fund is equal to $1,000,000 as a result of draws thereon pursuant to the Indenture or (ii) the Senior Debt to Assessed Ratio is equal to or less than 50% (the earlier to occur of such date being the "Surplus Maximum Adjustment Date"), the Maximum Surplus Amount means the amount of $2,000,000; and (y) on and after the Surplus Maximum Adjustment Date, the Maximum Surplus Amount means the amount of $1,000,000.

(d) In the event that, as a result of the "Levels" above, amounts on deposit in the Surplus Fund in excess of $1,000,000 (if any) are to be applied to the Annual Debt Service Requirements, the Trustee shall transfer from the amounts then on deposit in the Surplus Fund in excess of $1,000,000, if any, to the Bond Fund an amount which, when combined with amounts on deposit therein, if any, is sufficient to pay the principal of and/or interest on the Bonds when due. If the amount then on deposit in the Surplus Fund in excess of $1,000,000, if any, is insufficient for the foregoing purposes, then the Trustee shall nonetheless transfer the total amount on deposit in the Surplus Fund which in excess of $1,000,000 to the Bond Fund for the purpose of making partial payments on the Bonds as set forth in "Bond Fund" above.

(e) In the event that, as a result of "Levels" above, amounts remaining on deposit in the Surplus Fund (after application of amounts therein pursuant to the preceding paragraph (d)) are to be applied to the Annual Debt Service Requirements, the Trustee shall transfer from the Surplus Fund to the Bond Fund an amount which, when combined with amounts on deposit therein, if any, is sufficient to pay the principal of and/or interest on the Bonds when due. If the amount then on deposit in the Surplus Fund is insufficient for the foregoing purposes, then the Trustee shall nonetheless transfer all amounts on deposit in the Surplus Fund to the Bond Fund for the purpose of making partial payments on the Bonds as set forth in "Bond Fund" above.

(f) If the Surplus Fund shall be drawn upon or valued such that the amount therein is less than the Maximum Surplus Amount, the Surplus Fund shall be replenished from deposits of Pledged Revenue pursuant to the Flow of Funds, subject to the receipt of Pledged Revenue sufficient to do so, up to the Maximum Surplus Amount. For purposes of this paragraph, investments credited to the Surplus Fund shall be valued on the basis of their current market value, as reasonably determined by the District, which value shall be determined at least annually.

(g) Amounts in the Surplus Fund (i) shall be used for payment of the Bonds before any use of moneys in the Supplemental Fund; (ii) shall be used for payment of the Bonds before any use of moneys in the Reserve Fund, and (iii) shall not be used to redeem Bonds being called pursuant to any optional redemption provisions of the Indenture unless such redemption is of all Outstanding Bonds, but shall be used to pay Bonds coming due as a result of any mandatory redemption provisions of the Indenture.

(h) At such time as the Senior Debt to Assessed Ratio is equal to or less than 50%, moneys then on deposit in the Surplus Fund in excess of $1,000,000 shall be remitted by the Trustee to the District for application to any lawful purpose of the District. It is acknowledged by the District that the use of moneys released from the Surplus Fund shall be subject to any pledges, liens, or other encumbrances thereon, including without limitation any lien or encumbrance created under the terms of the Series 2016B Subordinate Bonds, any Parity Bonds or any other Subordinate Bonds.

(i) Notwithstanding the foregoing, Permitted Refunding Bonds may be secured by the Surplus Fund in the same fashion as the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds shall have a claim upon the Surplus Fund which ranks pari passu with the claim of the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

<u>Costs of Issuance Fund</u>. All moneys on deposit in the Costs of Issuance Fund shall be applied by the Trustee in accordance with a closing memorandum executed by a District Representative, for the payment of costs in connection with the issuance of the Bonds. Any amounts remaining in the Costs of Issuance Fund ninety (90) days after the date of issuance of the Bonds shall be transferred by the Trustee into the Bond Fund.

<u>Supplemental Fund</u>. The Indenture establishes a Supplemental Fund and states that on the date of issuance of the Bonds, German American Capital Corporation (the

"Depositor") is required to deposit $9,686,535 to the Supplemental Fund. The Indenture then provides the following regarding the use of funds in the Supplemental Fund:

(a) *In General.* The Supplemental Fund shall be maintained by the Trustee in accordance with the terms of the Indenture. The Supplemental Fund shall terminate at such time as no further moneys remain therein.

(b) *Requisition for Disbursements from Supplemental Fund.*

(i) Subject to the provisions of paragraph (c) below, so long as no Event of Default shall have occurred and be continuing under the Indenture, amounts in the Supplemental Fund shall be disbursed by the Trustee to the Depositor in accordance with requisitions in substantially the form of Exhibit D attached to the Indenture, completed and executed by a Depositor Authorized Representative and submitted to the Trustee with the attachments required therein (each, a "Supplemental Fund Requisition").

(ii) The Depositor shall be the sole person authorized to requisition disbursements from the Supplemental Fund, provided that the Depositor may instruct the Trustee to disburse amounts from the Supplemental Fund to itself or any other person in accordance with the specific wiring instructions set forth in each Supplemental Fund Requisition, on which the Trustee shall be entitled to conclusively rely. If the recipient of moneys requisitioned by the Depositor from the Supplemental Fund is to be a person or entity other than the Depositor, a completed W-9 for such recipient is required to be submitted to the Trustee with the relevant Supplemental Fund Requisition.

(iii) The Indenture places no restrictions on the expenditure of moneys disbursed from the Supplemental Fund pursuant to a Supplemental Fund Requisition.

(iv) On October 14, 2019, the Trustee shall cease disbursing any amounts from the Supplemental Fund and amounts therein, if any, shall be applied pursuant to paragraph (g) below.

(c) *Eligibility for Requisition of Funds.* Funds shall be eligible for requisition from the Supplemental Fund at such time or times as the following conditions are met for each building structure identified on Exhibit B to the Indenture:

(i) a building permit is issued by the Town for a building structure within the District identified on Exhibit B after the date of issuance of the Bonds; and

(ii) a copy of such building permit is provided to the Trustee, with a copy to the District, which building permit shall clearly identify the building structure to which it relates consistent with the descriptions set forth on Exhibit B.

(d) *Determination of Amounts Disbursed.* Following submission by the Depositor to the Trustee of a Supplemental Fund Requisition, the amount to be disbursed from the Supplemental Fund upon satisfaction of the conditions set forth in paragraph (c) above for any particular building structure listed on Exhibit B of the Indenture shall be the dollar amount corresponding to the building structure for which a building permit has been issued, a copy of which is attached to the Supplemental Fund Requisition so submitted. Exhibit B states the following:

Building Identification	Amount of Eligible Disbursement
Building 4	$ 310,085.57
Building 5	5,165,545.70
Building 7	1,192,011.93
Building 8	3,018,892.07

(e) *Transfers to Bond Fund.* In the event that a Level F Period is then in effect and the Level F Revenue set forth in Sections 3.06(f)(ii)(A), (B), (C), and (D) of the Indenture (the "Other Level F Revenue") is insufficient, when combined with moneys, if any, on deposit in the Bond Fund, to pay the principal of and/or interest on the Bonds when due, the Trustee shall transfer from the Supplemental Fund to the Bond Fund an amount which, when combined with the Other Level F Revenue and amounts then in the Bond Fund, if any, will be sufficient to pay the principal of and/or interest on the Bonds when due. In the event that moneys in the Bond Fund, the Other Level F Revenue, and the Supplemental Fund are together insufficient to make such payments when due, the Trustee will nonetheless transfer all moneys in the Supplemental Fund to the Bond Fund. Moneys in the Surplus Fund shall be used for payment of the Bonds prior to any use of moneys in the Supplemental Fund and moneys in the Supplemental Fund shall only be used for payment of the Bonds during a Level F Period, and in the order of priority established in Section 3.06(f)(ii) of the Indenture.

(f) *Investment Earnings.* Investment earnings on amounts on deposit in the Supplemental Fund shall be valued on the basis of their current market value, as reasonably determined by the District, which value shall be determined at least monthly, not later than the fifth (5th) Business Day of each month, commencing on the fifth (5th) Business Day of January, 2017 (each, a "Determination Date"). Not later than the tenth (10th) Business Day of each month, commencing on the tenth (10th) Business Day of January, 2017, the Trustee shall disburse from the Supplemental Fund to the Depositor an amount equal to the investment earnings thereon as of the Determination Date. The Depositor is to provide wiring or other payment instructions in writing to the Trustee on which the Trustee is entitled to conclusively rely, and the Trustee shall have no obligation to disburse investment earnings pursuant to this Section 3.11(f) in the absence of such written instructions from the Depositor.

(g) *Extraordinary Mandatory Redemption.* All moneys on deposit in the Supplemental Fund on October 15, 2019, if any, shall be applied to the extraordinary mandatory of the Bonds as provided in "THE BONDS – Prior Redemption – Extraordinary Mandatory Redemption."

Additional Bonds

The Indenture contains the following provisions regarding the issuance of additional bonds:

(a) *In General*. After issuance of the Bonds, no Additional Bonds may be issued except in accordance with the provisions of the Indenture. Nothing therein shall affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds thereunder; provided that notwithstanding the foregoing or anything therein to the contrary, the District shall not create, incur, assume, or suffer to exist any liens or encumbrances upon the ad valorem tax revenues of the District or the Pledged Revenue or any part thereof superior to the lien thereon of the Bonds.

(b) *Series 2016B Subordinate Bonds*. The District may issue the Series 2016B Subordinate Bonds on such terms and conditions as may be determined by the District without compliance with any of the other terms and conditions of this section of the Indenture.

(c) *Permitted Refunding Bonds*. The District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion.

(d) *Parity Bonds*. The District may issue additional Parity Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue additional Parity Bonds if each of the following conditions are met as of the date of issuance of such additional Parity Bonds:

(i) No Event of Default has occurred and is continuing and no amounts of principal or interest on the Bonds or any other Parity Bonds are due but unpaid.

(ii) The amount of the Reserve Fund is not less than the Reserve Requirement.

(iii) The amount of the Surplus Fund is not less than the Maximum Surplus Amount.

(iv) Upon issuance of the additional Parity Bonds, the Senior Debt to Assessed Ratio of the District will be 50% or less. "Senior Debt to Assessed Ratio" is defined in the Indenture as the ratio derived by dividing the then-outstanding principal amount of the Bonds and all other outstanding Parity Bonds of the District by the assessed valuation of the taxable property of the District, as such assessed valuation is certified from time to time by the appropriate county assessor. The foregoing calculation shall exclude the principal amount of any Subordinate Bonds or any obligation other than Parity Bonds.

(e) *Subordinate Bonds*. The District may issue Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue Subordinate Bonds if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

(i) The maximum mill levy which the District promises to impose for payment of the Subordinate Bonds is not higher than 37.5 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after October 23, 2006), less the mill levy required to be imposed by the District in connection with the Bonds and Parity Bonds.

(ii) The Subordinate Bonds are payable as to both principal and interest on an annual basis, on a date in any calendar year which is after the final principal or Interest Payment Date due in that calendar year on the Bonds.

(f) *Operations Agreement.* The District may enter into the Operations Agreement without compliance with any of the other terms and conditions of this section of the Indenture.

(g) *District Certification.* A written certificate by the President or Vice President or Treasurer of the District that the conditions for issuance of Additional Bonds set forth in the Indenture are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver such Additional Bonds in accordance with the Indenture.

Events of Default and Remedies

Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default thereunder except as provided below:

(a) The District fails or refuses to impose the Required Mill Levy or to apply or cause to be applied the Pledged Revenue as required by the Indenture;

(b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, other than as described in paragraph (a) above, and fails to remedy the same after notice thereof pursuant to the Indenture; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged in the Indenture that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default under the Indenture.

Remedies. Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

(i) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the

Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Indenture to, the Trustee.

(ii) *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Act, the Bonds, the Bond Resolution, the Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

(iii) *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

Notwithstanding anything in the Indenture to the contrary, acceleration of the Bonds shall not be an available remedy for an Event of Default.

DEBT SERVICE REQUIREMENTS

Set forth in the following charts are the debt service requirements for the Bonds. This table does not include any payments pursuant to the Series 2016B Subordinate Bonds (see "DISTRICT DEBT STRUCTURE – General Obligation and Limited Tax General Obligation Debt") or pursuant to the Omnibus Reimbursement Agreement described in "THE DISTRICTS – Agreements of the Districts."

Debt Service Requirements

Year	Principal[2]	Interest[1]	Total[1]
2017	$ --	$1,664,855	$1,664,855
2018	--	1,767,988	1,767,988
2019	--	1,767,988	1,767,988
2020	85,000	1,767,988	1,852,988
2021	285,000	1,763,313	2,048,313
2022	385,000	1,747,638	2,132,638
2023	410,000	1,726,463	2,136,463
2024	475,000	1,703,913	2,178,913
2025	500,000	1,677,788	2,177,788
2026	570,000	1,650,288	2,220,288
2027	600,000	1,618,938	2,218,938
2028	680,000	1,585,938	2,265,938
2029	715,000	1,548,538	2,263,538
2030	800,000	1,509,213	2,309,213
2031	845,000	1,465,213	2,310,213
2032	940,000	1,418,738	2,358,738
2033	990,000	1,367,038	2,357,038
2034	1,090,000	1,312,588	2,402,588
2035	1,150,000	1,252,638	2,402,638
2036	1,265,000	1,189,388	2,454,388
2037	1,330,000	1,119,813	2,449,813
2038	1,455,000	1,043,338	2,498,338
2039	1,540,000	959,675	2,499,675
2040	1,680,000	871,125	2,551,125
2041	1,775,000	774,525	2,549,525
2042	1,930,000	672,463	2,602,463
2043	2,040,000	561,488	2,601,488
2044	2,210,000	444,188	2,654,188
2045	2,335,000	317,113	2,652,113
2046	3,180,000	182,850	3,362,850
TOTAL[1]	$31,260,000	$38,453,017	$69,713,017

(1) Due to rounding, amounts do not total.

(2) Includes the payment of interest on June 1 and December 1 of each year and the payment of principal on December 1 of each year indicated. The principal amounts shown assume mandatory sinking fund payments are made, but assume that no optional redemptions or extraordinary mandatory redemptions will be made prior to maturity. See "THE BONDS – Prior Redemption."

Source: The Underwriter.

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Property Subject to Taxation. Subject to the limitations imposed by Article X, Section 20 of the State constitution (the Taxpayers Bill of Rights or "TABOR," described in "LEGAL MATTERS – Certain Constitutional Limitations"), the Board has the power to certify to the Pitkin County Board of County Commissioners (the "Commissioners") a levy for collection of ad valorem taxes against all taxable property within the District, and the District No. 1 Board has the power to certify to the Commissioners a levy for collection of ad valorem taxes against all taxable property within District No. 1.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the District and District No. 1, respectively. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the Pitkin County assessor (the "County Assessor") to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the County based upon its condition on January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessor's office every odd numbered year. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2015 / collection year 2016 are based on an analysis of sales and other information for the period January 1, 2013 to June 30, 2014. The following table sets forth the State Property Appraisal System for property tax levy years 2010 through 2016:

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2011	2010	July 1, 2008	Jan. 1, 2007 to June 30, 2008
2012	2011	July 1, 2010	Jan. 1, 2009 to June 30, 2010
2013	2012	July 1, 2010	Jan. 1, 2009 to June 30, 2010
2014	2013	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2015	2014	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2016	2015	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2017	2016	July 1, 2014	Jan. 1, 2013 to June 30, 2014

The County Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years, resulting in the following history of residential assessment rates since levy year 1989: 15.00% of statutory actual value (levy years 1989-90); 14.34% of statutory actual value (levy years 1991-92); 12.86% of statutory actual value (levy years 1993-94); 10.36% of statutory actual value (levy years 1995-96); 9.74% of statutory actual value (levy years 1997-98 and 1999-2000); 9.15% of statutory actual value (levy years 2001-02); and 7.96% of statutory actual value (levy years 2003-15). In December 2015, the Colorado Legislative

Council (the research division of the Colorado General Assembly) projected that the residential assessment rate will decrease to 7.78% in levy year 2017. This projection is only an estimate, however, and is subject to change. The residential assessment rate cannot increase without the approval of Colorado voters.

Non-residential property. All non-residential taxable property, with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the Districts' assessed valuations may be subject to modification following any such annual assessment study.

Homestead Property Tax Exemption. The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizen provision provides that for property tax collection years 2007 and later (except that the exemption was suspended for collection years 2009-12), the exemption is equal to 50% of the first $200,000 of actual value of residential real property that is owner-occupied if the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. The disabled veterans provision provides that for property tax collection years 2008 and later, the same exemption is available to homeowners who have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the Districts. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

Taxation Procedure. The County Assessor is required to certify to each District the preliminary assessed valuation of property subject to such District's mill levy no later than August 25th of each year. Preliminary assessed valuations are subject to change on or before December 10 of each year. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Boards compute a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the applicable District's property tax, and together with other legally available revenues, will raise the amount required by each Taxing District in its upcoming fiscal year. The Districts subsequently certify to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a $250 tax on a parcel of property with an assessed valuation of $10,000.

The Commissioners levy each District's tax on all property subject to taxation by the applicable District. By December 22nd of each year, the Commissioners must certify to the County Assessor the levy for all taxing entities within the County. If the Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County's treasurer (the "County Treasurer").

Adjustment of Taxes to Comply with Certain Limitations. Section 29-1-301, C.R.S., contains a statutory restriction limiting the property tax revenues which may be levied for operational purposes to an amount not to exceed the amount of such revenue levied in the prior year plus 5.5% (subject to certain statutorily authorized adjustments). At elections held in 2004, however, each District's electors approved a question which exempts the Districts from this restriction.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in December 2016 will be collected in 2017. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the Districts on a monthly basis. The payments to the Districts must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the Districts and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the County and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Ad Valorem Property Tax Data

A ten-year history of the Districts' certified assessed valuations is set forth in the following table.

Assessed Valuations for the Districts

Levy/ Collection Year	District No. 1	District No. 2	Total	Percent Change
2007/2008	$2,087,650	$16,794,930	$18,882,580	--
2008/2009	2,087,650	22,457,460	24,545,110	30.0%
2009/2010	4,446,140	37,635,780	42,081,920	71.4
2010/2011	4,052,350	40,643,900	44,696,250	6.2
2011/2012	4,099,170	32,925,410	37,024,580	(17.2)
2012/2013	3,604,940	32,201,150	35,806,090	(3.3)
2013/2014	2,874,520	35,695,930	38,570,450	7.7
2014/2015	2,858,120	37,167,320	40,025,440	3.8
2015/2016	2,634,480	36,994,950	39,629,430	(1.0)
2016/2017	2,580,880	36,709,840	39,290,720	(0.9)

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, *Annual Reports*, 2007-2015; and Pitkin County Assessor's Office.

A five-year history of the Districts' mill levies are set forth in the following table.

Mill Levies for the Districts

	District No. 1	District No. 2		
Levy/ Collection Year	General Fund	General Fund	Debt Service Fund	Total
2012/2013	43.500	6.000	37.500	43.500
2013/2014	43.500	6.000	37.500	43.500
2014/2015	43.500	6.000	37.500	43.500
2015/2016	43.500	6.000	37.500	43.500
2016/2017	43.500	6.000	37.500	43.500

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, *Annual Reports*, 2011-2015 and the District.

The following table sets forth the history of the Districts' ad valorem property tax collections for the time periods indicated.

Property Tax Collections in the Districts

Levy/ Collection Year	District No. 1 Taxes Levied[(1)]	District No. 1 Current Tax Collection[(2)]	District No. 1 Collection Rate	District No. 2 Taxes Levied[(1)]	District No. 2 Current Tax Collection[(2)]	District No. 2 Collection Rate
2010/2011	$176,277	$ 176,277	100.00%	$1,768,010	$1,768,010	100.00%
2011/2012	178,314	163,165	91.50[(4)]	1,432,255	1,317,137	91.96[(4)]
2012/2013	156,815	155,127	98.92	1,400,750	1,394,022	99.52
2013/2014	125,042	123,735	98.95	1,552,773	1,552,773	100.00
2014/2015	124,328	124,328	100.00	1,616,778	1,616,778	100.00
2015/2016[(3)]	114,600	114,600	100.00	1,609,280	1,582,764	98.35

(1) Levied amounts do not reflect abatements or other adjustments.
(2) The County Treasurer's collection fee has not been deducted from these amounts. Figures do not include interest, fees and penalties.
(3) Collections as of September 30, 2016.
(4) In collection year 2012, a total of $128,628 of tax abatements was granted to the Prior Developer due to its protests of the property assessed valuations. The abatements resulted in a reduced property tax collection rate in 2012.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, *Annual Reports*, 2011-2015; and Pitkin County Treasurer's Office.

Based upon the most recent information available from the County Assessor's Office, the following two tables set forth the ten largest taxpayers within each of the Districts. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Districts.

Ten Largest Owners of Taxable Property within District No. 1

Taxpayer Name	2016 Assessed Valuation	Percentage of Total Assessed Valuation[1]
Snowmass Acquisition Company LLC[2]	$1,987,700	77.02%
Aspen Skiing Company LLC[3]	453,480	17.57
Ajax Holdings M & M LLC	53,680	2.08
Clarks Express LLC	45,470	1.76
Obos Enterprises LLC	13,860	0.54
Forum Financial Services Inc.	5,740	0.22
Snowmass Hospitality LLC	4,520	0.18
Holy Cross Electric Assn	4,340	0.17
Eco Steam Wash	4,180	0.16
Aspen Sports	4,000	0.15
Total	$2,576,970	99.85%

(1) Based on a 2016 certified assessed valuation of $2,580,880.
(2) Constitutes the Prior Developer.
(3) Constitutes the owner of Snowmass Ski Resort, the owner and tenant of various retail properties in District No. 1 and a member of the joint venture which constitutes the Developer.

Source: Pitkin County Assessor's Office.

Ten Largest Owners of Taxable Property within District No. 2

Taxpayer Name	2016 Assessed Valuation	Percentage of Total Assessed Valuation[1]
Snowmass Acquisition Company LLC[2]	$22,123,080	60.27%
Aspen Skiing Company LLC[3]	2,356,050	6.42
Brush Creek Land Company LLC[3]	2,035,310	5.54
Longshot Snowmass LLC	330,760	0.90
Snowmass Lane Investments LLC	199,120	0.54
Aspen Snowmass Clear Holdings LLC	198,310	0.54
KANDRJJR, LLC	192,750	0.53
Skyfall LLC	161,720	0.44
Residence Owner #1	137,410	0.37
Woodson Sweeney Viceroy LLC	136,260	0.37
Total	$27,870,770	75.92%

(1) Based on a 2016 certified assessed valuation of $36,709,840.
(2) Constitutes the Prior Developer.
(3) Aspen Skiing Company LLC is the owner of Snowmass Ski Resort, the owner and tenant of various retail properties in District No. 2 and a member of the joint venture which constitutes the Developer. Brush Creek Land Company LLC owns the Fanny Hill Site. This entity is owned by the Aspen Skiing Company.

Source: Pitkin County Assessor's Office.

The following table sets forth the assessed valuations of specific classes of real and personal property within the Districts based upon the Districts' 2016 certified assessed valuations. As shown below, residential property account for the largest percentage of the Districts' assessed valuations, and therefore it is anticipated that owners of residential property will pay the largest percentage of ad valorem property taxes levied by the Districts.

2016 Assessed Valuation of Classes of Property in the Districts

	District No. 1		District No. 2	
Property Class	Total Assessed Valuation	Percentage of Total Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Residential	--	--	$17,759,500	48.38%
Commercial	$2,576,140	99.82%	11,624,730	31.67
Vacant	--	--	7,230,260	19.69
State Assessed	4,740	0.18	95,350	0.26
Total	$2,580,880	100.00%	$36,709,840	100.00%

Source: Pitkin County Assessor's Office.

Mill Levies Affecting Property Owners Within the Districts

In addition to each District's ad valorem property tax levy, owners of property within the Districts are obligated to pay taxes to other taxing entities in which their property is located. As a result, property owners within the Districts' boundaries may be subject to different mill levies depending upon the location of their property. The following table sets forth mill levies that are imposed on properties within the Districts.

Mill Levies Affecting Property Owners Within the Districts – 2015

Taxing Entity	Mill Levy[1]
Town of Snowmass Village	9.236
Aspen School District RE-1	9.111
Snowmass-Wildcat Fire Protection District	7.494
Pitkin County	7.274
Snowmass Village General Improvement District No. 1	6.000
Colorado Mountain College	3.997
Aspen Valley Hospital District	2.819
Snowmass Water and Sanitation District	2.414
Pitkin County Library District	1.359
Aspen Historic Park and Recreation District	0.300
Colorado River Water Conservation District	0.243
Total Overlapping Sample Mill Levy	50.247
District No. 1 or District No. 2[2]	43.500
Total Sample Mill Levy	93.747

(1) One mill equals 1/10 of one percent. Mill levies certified in 2015 result in the collection of property taxes in 2016.
(2) District No. 1 and District No. 2 imposed the same mill levy of 43.500 mills in 2015.

Source: Pitkin County Assessor's Office.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the Districts, other taxing entities overlap or partially overlap the boundaries of the Districts. The following table sets forth those taxing entities which currently pay their general obligation debt directly from a mill levy assessed against property within the Districts' boundaries. The table reflects the outstanding general obligation debt of the other taxing entities as of the date of this Limited Offering Memorandum.

Estimated Overlapping General Obligation Indebtedness

Entity[1]	2016 Assessed Valuation[2]	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the Districts	
			Percent[3]	Amount
Aspen School District RE-1	$2,734,986,230	$46,730,000	1.44%	$ 672,912
Aspen Valley Hospital District	2,914,784,260	50,120,000	1.35	676,620
Pitkin County	2,942,709,910	14,740,000	1.33	196,042
Town of Snowmass Village	489,869,420	4,600,000	8.02	368,920
Total				$1,914,494

(1) The following entities also overlap with the Districts but they have no reported general obligation debt outstanding: Aspen Historic Park and Recreation District; Colorado Mountain College; Colorado River Water Conservation District; Pitkin County Library District; Snowmass Village General Improvement District No. 1; Snowmass Water and Sanitation District; and Snowmass-Wildcat Fire Protection District.

(2) The 2016 valuations certified by the County Assessors are for collection of ad valorem property taxes in 2017.

(3) The percentage of each entity's outstanding debt chargeable to Districts' property owners is calculated by comparing the assessed valuation of the portion overlapping the Districts to the total assessed valuation of the overlapping entity. To the extent the Districts' assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which District property owners are responsible will also change.

Sources: Pitkin County Assessor's Office; and individual taxing entities.

DISTRICT DEBT STRUCTURE

Required Elections

Various State constitutional and statutory provisions require voter approval prior to the incurrence of general obligation indebtedness by the Districts. Among such provisions, Article X, Section 20 of the Colorado Constitution (the Taxpayers Bill of Rights, or "TABOR") requires that, except for refinancing bonded debt at a lower interest rate, each Taxing District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. For a discussion of TABOR, see "LEGAL MATTERS – Certain Constitutional Limitations." For a discussion of the debt elections of the Districts, see "General Obligation Debt" and "Authorized but Unissued Debt" under this caption. The issuance of the Bonds was approved by the electors of the District at the District No. 2 Elections (defined below) and the obligations of District No. 1 under the Capital Pledge Agreement were approved by the electors of District No. 1 at the District No. 1 Elections (defined below).

General Obligation and Limited Tax General Obligation Debt

Statutory Debt Limit. The Districts are subject to a statutory debt limitation established pursuant to section 32-1-1101(6), C.R.S. This limitation provides that, with certain exceptions listed below, the total principal amount of general obligation debt issued by a special district after 1991 shall not at the time of issuance exceed the greater of $2 million or 50% of the special district's assessed valuation. Based upon the District's 2016 preliminary certified assessed valuation of $36,709,830, the District's debt limitation is $18,354,915. The Bonds will exceed this amount, but are permitted to be issued because they qualify for an exception from the debt limitation statute. Exceptions from the debt limitation statute include obligations which are: rated in certain rating categories; determined by the board of the special district to be necessary to construct improvements ordered by a federal or state regulatory agency for public health or environmental reasons; secured by a letter of credit, line of credit or other credit enhancement issued by certain qualified financial institutions; or issued to financial institutions or institutional investors. Special districts are also permitted to issue general obligation debt above the statutory debt limit if such debt is payable from a limited mill levy not exceeding fifty mills.

Outstanding Obligations.

The District. On December 22, 2016, the District expects to issue the Bonds and, together with District No. 1, enter into the Capital Pledge Agreement. The District also expects to issue its Subordinate Limited Tax General Obligation Refunding Bonds, Series 2016B (the "Series 2016B Subordinate Bonds"). The Series 2016B Subordinate Bonds constitute subordinate "cash flow" (meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient revenue is available for payment) limited tax general obligations of the District payable solely from and to the extent of the "Subordinate Pledged Revenue," which is defined in the Indenture of Trust for the Series 2016B Subordinate Bonds as, generally, ad valorem property taxes in a limited amount levied by the District; certain specific ownership tax revenue; and Capital Facility Fees. *The pledge of all of such revenue sources is subordinate to the pledge thereof to the Bonds, and the limitation on ad valorem property taxes pledged to the Series 2016B Subordinate Bonds is different than the limitation on such taxes pledged to the Bonds.* Principal is due on the Series 2016B Subordinate Bonds on each December 15 only to the extent Subordinate Pledged Revenue is available therefor, commencing December 15, 2017. The Series 2016B Subordinate Bonds will bear interest at the rate of 6.5%. The Series 2016B Subordinate Bonds are expected to be issued to the owner of the Series 2013B Bonds in partial payment thereof. See "USES OF PROCEEDS."

Upon issuance of the Bonds and the Series 2016B Subordinate Bonds, the Bonds and the Series 2016B Subordinate Bonds will be the only outstanding obligations of the District. The debt service schedule for the Bonds is set forth in "DEBT SERVICE REQUIREMENTS." As "cash flow" obligations, the Series 2016B Subordinate Bonds do not have a debt service schedule; however, the forecasted repayment of the Series 2016B Subordinate Bonds, based upon development assumptions and other assumptions, is contained in the Cash Flow Forecast attached as Appendix D on page 27.

District No. 1. Upon execution and delivery of the Capital Pledge Agreement, the Capital Pledge Agreement will be the only outstanding debt obligations of District No. 1. See "SECURITY FOR THE BONDS – Capital Levy Revenue." In addition, District No. 1 will owe amounts to the Developer under the Omnibus Reimbursement Agreement. District No. 1's obligations under this agreement do not constitute a debt under State law and are subject to annual appropriation by the District No. 1 Board. See "THE DISTRICT – Agreements of the District – Omnibus Reimbursement Agreement."

Authorized but Unissued Debt

The District. The District's ability to issue additional debt is limited by the electoral authorization obtained from the District's electors, the Service Plan, the Indenture and the Capital Pledge Agreement.

District Elections. At elections held on November 2, 2004, November 7, 2006 and November 6, 2007 (the "District No. 2 Elections"), the District's eligible electors authorized the District to issue up to $107,500,000 in general obligation debt for public infrastructure and $107,500,000 in general obligation debt for refunding purposes (in addition to debt in various amounts for operations and maintenance, refunding at a higher rate, intergovernmental agreements, reimbursement agreements and mortgages). After issuing prior debt, the Bonds and the Series 2016B Subordinate Bonds, approximately $57,550,000 of the authorization for public infrastructure will remain unissued; approximately $85,293,600 of the authorization for refunding purposes will remain unissued; and additional amounts of the authorization for other purposes will remain unissued. The Board currently has no plans to seek voter approval for general obligation indebtedness in excess of this amount.

Indenture Limitations. The Indenture limits the District's ability to issue additional debt as described in "SECURITY FOR THE BONDS – Additional Bonds."

Capital Pledge Agreement Limitations. The Capital Pledge Agreement states that: (a) District No. 1 will not issue or incur bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the Capital Levy Revenue; and (b) District No. 2 shall not, without the prior written consent of District No. 1, issue any (i) Senior Parity Obligations (which term has the definition of "Parity Bonds" in the Indenture) or (ii) additional debt which involves a financial obligation of District No. 1.

Service Plan Limitation. Notwithstanding the general obligation bond authorization under the District No. 2 Elections, pursuant to the Service Plan the Districts are not permitted to issue debt in excess of $48,700,000. After the issuance of the Bonds, $1,420,000 of this authorization will remain unissued.

District No. 1. District No. 1's ability to issue additional debt is limited by the electoral authorization obtained from District No. 1's electors, the Service Plan and the Capital Pledge Agreement. These limitations are described below.

District No. 1 Elections. At elections held on November 2, 2004, November 7, 2006 and November 6, 2007 (the "District No. 1 Elections"), District No. 1's eligible electors authorized District No. 1 to issue up to $107,500,000 in general obligation debt for public infrastructure (in addition to debt in various amounts for operations and maintenance, refunding at a higher rate, intergovernmental agreements, reimbursement agreements and mortgages). After entering into a prior capital pledge agreement associated with prior bonds of District No. 2, $107,500,000 of the authorization for public infrastructure remains unissued, and additional amounts of the authorization for other purposes remains unissued. The Capital Pledge Agreement provides that District No. 1 will annually allocate its voter authorization to the Capital Pledge Agreement in accordance with the proportion of the Senior Obligations actually paid by the Capital Levy Revenue. The District No. 1 Board currently has no plans to seek voter approval for general obligation indebtedness in excess of this amount.

Capital Pledge Agreement Limitations. District No. 1 is subject to the same limitations described above pertaining to the District.

Service Plan Limitation. District No. 1 is subject to the same limitations described above pertaining to the District.

Revenue and Other Financial Obligations

The Districts also have the authority to issue revenue obligations payable from the net revenue of their facilities, to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other obligations. Other than the obligations of the Districts described in "THE DISTRICTS – Agreements of the Districts," the Districts presently have no such obligations outstanding.

Selected Debt Ratios

The following table sets forth ratios of direct debt of the Districts (after giving effect to the issuance of the Bonds) and overlapping debt within the Districts (only for those entities which currently pay their general obligation debt through a mill levy assessed against property within the Districts) to the 2016 preliminary certified assessed valuation and statutory actual value of the Districts:

Selected Debt Ratios of the Districts as of the
Date of this Limited Offering Memorandum (Unaudited)

Direct Debt of the Districts[1]	$31,260,000
Overlapping Debt [2]	1,914,494
Total Direct Debt and Overlapping Debt	$33,174,494
2016 Certified Assessed Valuation of the Districts[3]	$39,290,720
Ratio of Direct Debt to 2016 Certified Assessed Valuation	79.6%
Ratio of Direct Debt Plus Overlapping Debt to 2016 Certified Assessed Valuation	84.4%
2016 Statutory "Actual" Value of the Districts[4]	$297,354,883
Ratio of Direct Debt to 2016 Statutory "Actual" Value	10.5%
Ratio of Direct Debt Plus Overlapping Debt to 2016 Statutory "Actual" Value	11.2%

(1) Consists only of the Bonds; does not include the Series 2016B Subordinate Bonds.

(2) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Estimated Overlapping General Obligation Debt" and the footnote regarding the type of overlapping debt which is included.

(3) Consists of $2,580,880 of 2016 assessed valuation of District No. 1 and $36,709,840 of 2016 assessed valuation of District No. 2.

(4) Consists of $8,899,586 of 2016 statutory "actual" value of District No. 1 and $288,455,297 of 2016 statutory "actual" value of District No. 2. This figure has been calculated using a statutory formula under which assessed valuation is calculated at 7.96% of the statutory "actual" value of residential property within the Districts, and 29% of the statutory "actual" value of other property within the Districts (with certain specified exceptions). Statutory "actual" value is not intended to represent market value. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes."

Sources: County Assessor's Office, the District, and information obtained from individual overlapping entities.

THE DISTRICTS

Organization and Description

General. The District are special districts formed pursuant to Title 32, Article 1, Colorado Revised Statutes ("C.R.S.") (the "Special District Act"). Each of the Districts was formed in December 2004, pursuant to an Order and Decree of the Pitkin County District Court. Each Order and Decree was recorded with the Pitkin County Clerk and Recorder on December 27, 2004. Formation of the Districts was preceded by the approval by the Town of a Service Plan dated September 1, 2004, as amended and restated on October 17, 2006 (as amended and restated, the "Service Plan").

In accordance with the Service Plan, District No. 1 is designated as the "Service District" and District No. 2 is designated as the "Financing District." As the Service District, District No. 1 is responsible for managing the construction, acquisition and operation of public improvements, and as the Financing District, District No. 2 is responsible for providing the tax base for operational and debt service requirements. In addition, District No. 1 contains only non-residential property and District No. 2 contains both residential and non-residential property.

Description, Location and Maps. The Districts are located in the Town at the base of Snowmass Ski Resort ("Snowmass"). The Town is located in the western part of the State of Colorado (the "State") approximately eight miles west of Aspen, Colorado and approximately 170 miles southwest of Denver, Colorado. The population of the Town is 2,863 as of July 2015.

Functions and Services Provided by the Districts. Since the formation of the Districts, the Districts have financed the construction various public improvements described herein and have financed the purchase of a fire truck for the Wildcat/Snowmass Fire Protection District. In addition, District No. 1 owns and operates the Conference Center; operates the Transit Center located in the Main Parking Garage; and possesses an easement to, and operates, the public portions of the Main Parking Garage, which consists of approximately 242 parking spaces. The "Conference Center" is an approximately 16,000 square foot conference center located in Building 2A which is used by the Districts, the Master Association, homeowners associations and the general public. The "Main Parking Garage" is a 614-space parking garage used by the general public and by the residents and retail tenants of Base Village. See "THE DEVELOPMENT – Parking." The "Transit Center" consists of offices and dedicated space within the Main Parking Garage for use by the Town as part of its public bus transportation system. The Developer is contemplating recording a condominium map of the Main Parking Garage pursuant to which District No. 1 would become the owner of the approximately 242 spaces within the Main Parking Garage.

District Boundaries. The Districts together contain the property which comprises the site of the "Base Village" development in the Town ("Base Village" or the "Development"). District No. 2 includes additional property not within the Development as explained below. The Districts approved certain inclusions and exclusions in 2007 and 2008, resulting in their current boundaries. District No. 1 expects to approve an additional inclusion in 2016 prior to the issuance of the Bonds, as explained below, and District No. 2 expects to approve a corresponding additional exclusion in 2016 prior to the issuance of the Bonds.

Current Boundaries. The property within District No. 2 currently consists of: (a) the approximately 19 acres of property which comprise the Development (minus the Current District No. 1 Property described below); (b) approximately 1.9 acres constituting the Fanny Hill Site described in "THE DEVELOPMENT – Fanny Hill Site;" (c) approximately 5.8 acres of nontaxable wetlands property owned by the Town; and (d) approximately 3.3 acres of nontaxable street rights-of-way owned by the Town.

The Development plan calls for, generally, the non-residential property in the Development (consisting of air space commercial condominium units) to be located within District No. 1 and all other property in the Development (in addition to the other areas listed in (b), (c) and (d) in the preceding paragraph) to be located in District No. 2. Accordingly, in 2008, District No. 1 included the following property within its boundaries (defined as the "Current District No. 1 Property"), which property was also the subject of a corresponding exclusion in 2008 from the District: (a) eight commercial condominium units in Building 2A; (b) five commercial condominium units in Building 2B; (c) one commercial condominium unit in Building 2C; (d) eight commercial condominium units in Building 3; (e) three airspace units within future Building 4A; (f) four airspace units within future Building 4B; (g) three airspace units within Building 5; (h) certain airspace within the Main Parking Garage under Partially Completed Building 5; (i) one airspace unit within future Building 6; (j) two airspace units within Building 7; (k) one airspace unit within future Building 8; (m) eight airspace units within Building 13A; and (n) two storage units in the Main Parking Garage. The effect of this inclusion was to include within District No. 1 the commercial air space condominium units located within the Completed Buildings, and airspace units representing future commercial condominium units pending recordation of condominium maps establishing the specific commercial condominium units within District No. 1.

Planned Future Boundaries. The Court orders by which the inclusion and exclusion of the current property in District No. 1 was accomplished each provide that the initial descriptions of the subject property shall be superseded by the description contained in one or more condominium maps recorded to establish specific units in place of such prior descriptions, effective upon the filing of a copy with the Court. The Districts are expected to cooperate to continue to file recorded condominium maps with the Court in the future with respect to commercial condominium units to be located within Buildings 4, 5, 6, 7, 8 and 10A in order to accomplish the inclusion of air space commercial condominium units which are planned to be located in the Partially Completed Buildings and the Remaining Planned Buildings but do not yet exist. See "THE DEVELOPMENT."

At such time as the Partially Completed Buildings and Remaining Planned Buildings are completed, it is the expectation of the District that District No. 1 will be comprised of all of the commercial property described in the table "Completed, Partially Completed and Planned Buildings in the Development" in "THE DEVELOPMENT" below. There is no assurance, however, that the Partially Completed Buildings or the Remaining Planned Buildings will be constructed in the timeframe described herein or at all, or that the configuration of such buildings between residential and non-residential property will not be changed. In addition, even if such buildings are completed, the assessment of the value of the commercial condominium units within District No. 1 will depend on the Pitkin County District Court issuing orders confirming the substitution of commercial condominium units for prior airspace units as called for in the 2008 inclusion and exclusion orders, and the Pitkin County Assessor to assess the commercial condominium units within District No. 1. To date, the District Court and the Assessor have followed this process. The design and configuration of the Partially Completed Buildings and Remaining Planned Buildings, however, has been established by the Amended PUD. Variations therefrom can only occur as permitted by the Amended PUD or pursuant to a future amendment of the Amended PUD. See "THE DEVELOPMENT – Land Entitlements and Public Approvals."

Inclusion, Exclusion, Consolidation and Dissolution

Inclusion of Property. The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property under certain circumstances. After its inclusion, the included property is subject to all of the taxes and charges imposed by the special district and shall be liable for its proportionate share of existing bonded indebtedness of the special district. Under the Service Plan, the Districts are not permitted to include any property outside of their initial combined boundaries without the prior written consent of the Town Council.

Exclusion of Property. The Special District Act provides that the boundaries of a special district also may be altered by the exclusion of real property from the District under certain circumstances. After its exclusion, the excluded property is no longer subject to the special district's operating mill levy, and is not subject to any debt service mill levy for new debt issued by the special district. The excluded property, however, remains subject to the special district's debt service mill levy for that proportion of the special district's outstanding indebtedness and the interest thereon existing immediately prior to the effective date of the exclusion order.

Consolidation With Other Districts. Two or more special districts may consolidate into a single district upon the approval of the District Court and of the electors of each of the consolidating special districts. The District Court order approving the consolidation can provide that the consolidated district assumes the debt of the districts being consolidated. If so, separate voter authorization of the debt assumption is required. If such authorization is not obtained, then the territory of the prior district will continue to be solely obligated for the debt after the consolidation. At the present time, no consolidations with other districts are pending or expected.

Dissolution of the District. The Special District Act allows a special district board of directors to file a dissolution petition with the District Court. The District Court must approve the petition if the special district's plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. Dissolution must also be approved by the special district's voters. If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness.

District Powers

The rights, powers, privileges, authorities, functions and duties of the Districts are established by the laws of the State, particularly the Special District Act, which provides that the Boards have certain powers including, but not limited to, the power: to have perpetual existence; to sue and be sued; to enter into contracts and agreements; to incur indebtedness and revenue obligations; to acquire, dispose of, and encumber real and personal property; to have the management, control, and supervision of all the business and affairs of the special district and all construction, installation, operation, and maintenance of special district improvements; to appoint, hire, and retain agents, employees, engineers, and attorneys; to fix and from time to time increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by or available from the Districts, and to pledge such revenue for the payment of any indebtedness of the Districts; to furnish services and facilities without the boundaries of the special district and to establish fees, rates, tolls, penalties, or charges for such services and facilities; to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to special districts by statute; to enter into contracts with public utilities, cooperative electric associations and municipalities for the purpose of providing street lighting service; to erect and maintain, in providing safety protection services, traffic and safety controls and devices; to finance line extension charges for new telephone construction in non-residential special districts; to establish, maintain, and operate a system to transport the public by bus, rail, or any other means of conveyance; and to exercise the power of eminent domain and dominant eminent domain for the special district's authorized purposes. In addition, the Boards have the power to furnish security services for any area within each District, if such District has provided written notification to, consulted with, and obtained the written consent of all local law enforcement agencies having jurisdiction within the area and any applicable master association or similar body having authority to furnish security services. The Boards are further authorized to furnish covenant enforcement and design review services, subject to the terms of an agreement with any applicable master association or if acting as the enforcement agent with respect to recorded covenants. The Districts do not currently provide any security or covenant enforcement services.

Governing Board

The District is governed by a board of directors (the "Board") which, pursuant to State law, consists of five members, and District No. 1 is governed by a board of directors (the "District No. 1 Board" and together with the Board, the "Boards") which, pursuant to State law, consists of five members. The members of the Boards are currently identical. There is no guarantee that the boards will have identical members in the future. In order to be eligible for nomination to the Boards, prospective Board members must be eligible electors of the District or District No. 1, as applicable, as defined by State law. Directors are elected to staggered four year terms of office at successive biennial elections. Vacancies on the Boards are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. The directors hold regular meetings (currently on the fourth Wednesday of every month) and, as needed, special meetings. Each director is entitled to one vote on all questions before the Boards when a quorum is present. Directors do not currently receive compensation from the Districts for attending meetings. Directors may not receive compensation from the Districts as employees of the Districts, except as authorized by State law. Pursuant to the State constitution, directors are limited to two terms in office unless the special district's voters have approved a waiver or modification of this limit. At the elections held in 2004, the District's and District No. 1's electors approved election questions which exempt the District and District No. 1 from State constitutional term limitations.

Current Board. The present directors, their positions on the Boards, occupations and terms of office are as follows:

Name	Office	Occupation	Years of Experience	Current Term Exp. (May)
Matt Foley	President	Dir. of Commercial Leasing[(1)]	4	2020
Leticia Hanke	Treasurer	Director of Marketing[(1)]	0	2018
Steve Sewell	Secretary	Mountain Manager[(2)]	7	2020
Craig Monzio	Assistant Secretary	Vice President[(1)]	1	2018
James D'Agostino	Assistant Secretary	President[(1)]	1	2020

(1) Refers to each director's position with the Related Companies, the owner of the Prior Developer.
(2) Refers to Mr. Sewell's position with Aspen Skiing Company.

Potential Board Changes. It is expected that within a reasonable period of time following the completion of the Sale, the composition of the Boards may change due to new appointments and/or elections. It is not possible to predict at this time how the Boards will change, but it is likely that employees of entities related to the Developer will become members of the District No. 1 Board and it is probable that Mr. Sewell will remain on the District No. 1 Board. The future composition of the Board is unknown at this time.

Recent Property Owner Challenge to Board Composition. On November 28, 2016, the District's general counsel received a letter from a property owner and taxpayer in District No. 2. In the letter, the taxpayer asserts that she represents 50% of the electors known to the taxpayer and notifies the Districts that a petition has been signed to request immediate recall of all of the current members of both Boards. The taxpayer also requests that various actions taken by the Boards at meetings held on November 28, 2016, be deferred. Finally, the taxpayer asserts that in her view and unknown others, the members of the Boards are not qualified to serve on the Boards or act on behalf of the taxpayers of the electorate of the Districts. A newspaper article dated December 15, 2016, states that the property owners aim to void any decisions made about refinancing the District's debt, which presumably would include the issuance of the Bonds.

As of the date hereof, no litigation has been filed or threatened against the Districts, but on December 16, 2016, the District approved the form of the recall petition. It is uncertain if the proponents of the recall election will meet the requirement of 40% of the District's eligible electors needed to require a recall election. The District is uncertain what costs, if any, will be associated with any potential recall election. Even if a challenge to the composition of the Boards is deemed without merit and no recall election is held, the District may be exposed to significant legal costs associated with its response to any such challenge, and such costs may be in excess of the estimated operations costs of District No. 1 which are contained in the Cash Flow Forecast attached as Appendix D. It is also possible that the existence of challenges and/or complaints from property owners could negatively impact future development within the District.

The District's general counsel is expected to provide a legal opinion on the date of issuance of the Bonds stating that, to the best of their knowledge, based upon the oral representations and affidavits provided to them by the members of the Boards, and without any other independent investigation or inquiry, for the period from the date of adoption and approval of the Bond Resolution to and including the date of issuance of the Bonds, such individuals are qualified to serve as directors and officers of the applicable District and have been duly elected or appointed. In addition, the District's bond counsel is expected to provide a legal opinion on the date of issuance of the Bonds regarding the validity and tax-exempt status of the Bonds. See "LEGAL MATTERS – Approval of Certain Legal Proceedings" and Appendix G.

Conflicts of Interest

Four of the five current members of the Boards are owners or employees of the Prior Developer and/or entities related to the Prior Developer and the fifth member is an employee of Aspen Skiing Company, an affiliate of which is a partner with the Developer in the new development project. In addition, as described above, following the acquisition of the Development, four new Board members are expected to be appointed who are owners or employees of the Developer and/or entities related to the Developer.

State law requires directors to disqualify themselves from voting on any issue in which they have a conflict of interest unless the applicable director has disclosed the conflict in a certificate filed with the Secretary of State and the Boards at least 72 hours in advance of any meeting of which the conflict may arise. Additionally, no contract for work or material, including a contract for services, regardless of the amount, may be entered into between the District and a Board member (or between District No. 1 and a District No. 1 Board member), or between the District and the owner of 25% or more of the territory within the District (or between District No. 1 and the owner of 25% or more of the territory within District No. 1), unless a notice is published for bids and such Board member or owner submits the lowest responsible and responsive bid. A portion of the Bond proceeds are expected to be paid to the Prior Developer as the repayment of the 2013B Bonds. See "USES OF PROCEEDS." Board members voting on the Bond Resolution are expected to file conflict statements with the Secretary of State and the Board prior to the adoption of the Bond Resolution, and District No. 1 Board members voting on the resolution approving the Capital Pledge Agreement are expected to file conflict statements with the Secretary of State and the District No. 1 Board prior to the adoption of the resolution. See "THE DEVELOPMENT - The Developer" above.

Administration

The Boards are responsible for the overall management and administration of the affairs of each of the Districts. The Districts have no employees, and all administrative functions are provided by third parties pursuant to contracts with District No. 1. District No. 1, in turn, provides administrative and other functions for District No. 2 pursuant to the Master District IGA (through the date of issuance of the Bonds) and pursuant to the Operations Agreement (after the date of issuance of the Bonds). District No. 1 retains Snowmass Hospitality LLC, Snowmass Village, Colorado, as the manager for the Districts. Snowmass Hospitality is affiliated with the Prior Developer. After the Sale, it is expected that the management functions currently performed by Snowmass Hospitality will be transferred to the Developer, which may continue to perform these functions under the same name or through some other name or entity. District No. 1 retains CliftonLarsonAllen LLP, Certified Public Accountants, Greenwood Village, Colorado, as the accountants for the Districts. The Districts are represented by White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado.

Agreements of the Districts

The Special District Act authorizes the Districts to enter into agreements and contracts affecting their affairs. According to the Districts' general counsel, the Districts are not a party to any agreements which materially affect their financial status or operations, except for the following:

Operations Agreement. The Districts are parties to an Operation, Maintenance and Administrative Services Agreement dated as of November 28, 2016 and effective as of the date of issuance of the Bonds (the "Operations Agreement"). The Operations Agreement replaces an Amended and Restated District Public Improvements Joint Financing, Construction, and Service Agreement dated June 25, 2008 (the "Master District IGA"), which currently outlines the provisions and operation, maintenance and administrative services, financing, construction budget and capital costs, construction and acquisition, ownership and operation of public improvements and the issuance of bonds and other debt by the Districts.

The Operations Agreement establishes certain rights and obligations of the Districts with respect to the provision of operations, maintenance and administrative services of the Districts. The Operations Agreement obligates District No. 1 to continue to serve as the administrative agent for District No. 2 with respect to statutory annual requirements that are required of District No. 2, and also to operate and maintain public infrastructure owned by District No. 1 and/or as to which District No. 1 has operations and maintenance responsibilities pursuant to easements or other property interests. The Operations Agreement will obligate District No. 2 to levy six mills until such time as the District No. 1 mill levy (in the amount of 43.5 mills less the Capital Levy under the Capital Pledge Agreement) is sufficient to meet a single year's operations, maintenance and administrative expenses, at which point District No. 2 will no longer be obligated to fund any such expenses.

In the Capital Pledge Agreement, District No. 1 acknowledges and agrees that its obligations under the Capital Pledge Agreement are prior and superior to all obligations of District No. 1 under the Operations Agreement, and that District No. 1 will first determine and impose ad valorem property taxes for Shortfall Payments in satisfaction of its Payment Obligation under the Capital Pledge Agreement up to the maximum mill levy required thereunder, without taking into account any mill levy to be imposed under the Operations Agreement. In addition, the District's pledge under the Operations Agreement of revenue derived from its imposition of six mills is fully subordinate to the pledge of such revenue to the Bonds and other Parity Bonds, if any.

Capital Pledge Agreement. The Districts will enter into a Capital Pledge Agreement dated as of December 22, 2016 (the "Capital Pledge Agreement"), which is described in "SECURITY FOR THE BONDS – Capital Facility Fees" and Appendix H.

Omnibus Reimbursement Agreement. District No. 1 or both Districts are parties to several funding agreements with the Prior Developer and developers of Base Village which pre-date the Prior Developer, including Base Village Owner LLC ("BVO") (collectively, the "Prior Agreements"). Any of the Prior Agreements which are not with the Prior Developer have been assigned to the Prior Developer. As part of the acquisition of Base Village by the Developer, the Prior Developer expects to assign all of its rights and obligations under these agreements to the Developer. In addition, on November 28, 2016, District No. 1 and SV Bond Holdings, LLC ("SV Bond"), an entity related to the Developer, entered into a Funding and Reimbursement Agreement to be effective on the date of issuance of the Bonds (the "Omnibus Reimbursement Agreement") which will supersede the Prior Agreements. District No. 2 will not be a party to the Omnibus Reimbursement Agreement and will not be obligated to pay any amounts under this agreement.

The Omnibus Reimbursement Agreement states that as of the date thereof, the Districts recognized owing $9,226,476 to the Prior Developer pursuant to the Prior Agreements, consisting of $5,434,730 of principal and $3,791,746 of interest (the "Prior Costs"). In the agreement, District No. 1 agrees to repay these amounts. The agreement provides that from the date thereof, interest shall accrue at the rate of 8% per annum simple interest, to the earlier of the date a Reimbursement Obligation is issued or repayment is made. The obligation to pay these amounts terminates 40 years from the date of the agreement. The agreement states that it evidences District No. 1's intent to repay SV Bond for the Prior Costs, but shall not constitute a debt or indebtedness of District No. 1 within the meaning of any constitutional or statutory provision. District No. 1's agreement to repay Prior Costs and to issue Reimbursement Obligations is subject to annual appropriation by District No. 1, in its absolute discretion.

Upon request of SV Bond, District No. 1 agrees to issue one or more "Reimbursement Obligations" to evidence any repayment obligation of District No. 1 then existing with respect to Prior Costs. Reimbursement Obligations will be payable from the sources identified therein, which may include, but not necessarily limited to, ad valorem property tax revenues of District No. 1. Reimbursement Obligations shall mature on dates, and bear interest at market rates, to be determined at their time of issuance. Reimbursement Obligations may only be issued in accordance with the limitations of the Capital Pledge Agreement. In the Capital Pledge Agreement, District No. 1 acknowledges and agrees that its obligations under the Capital Pledge Agreement are prior and superior to all obligations of District No. 1 under the Omnibus Reimbursement Agreement, and that District No. 1 will first determine and impose ad valorem property taxes for Shortfall Payments in satisfaction of its Payment Obligation under the Capital Pledge Agreement up to the maximum mill levy required thereunder, without taking into account any mill levy to be imposed under the Omnibus Reimbursement Agreement.

Intergovernmental Agreements with the Town. District No. 1 or both Districts are parties to five intergovernmental agreements with the Town and/or the GID (defined below).

2005 Town IGA. The Districts and the Town are parties to an Intergovernmental Agreement dated May 4, 2005 (the "2005 Town IGA"). The 2005 Town IGA imposed various restrictions on the Districts' ability to issue debt, include or exclude property and modify the Service Plan. These restrictions are consistent with the Service Plan. The 2005

Town IGA also gives the Town the right to review all proposed bond documents for 30 days and provide notice of any objections.

Transit Center Agreement. District No. 1 and the Town are parties to a Transit Center Joint Operating Agreement dated November 1, 2010 (the "Transit Center Agreement"). This agreement reflects that BVO has constructed or is in the process of constructing certain facilities within Base Village to be used for public transportation (the "Transit Center"). The Transit Center consists of space within the Main Parking Garage from with the Town's public bus system can be managed. District No. 1 agrees to be responsible for the operation and maintenance of the Transit Center, including snow, ice, and trash removal, operation and maintenance of elevators and escalators, and maintaining safe public access from the bus bays through Building 7 to the public plaza areas. The Town agrees to be responsible for the operation and maintenance of the 100 square foot transit office located in the Transit Center. The Town also agrees to manage bus operations to permit the general public to use the Town's public transportation system.

IGA with GID. The Districts and Snowmass Village General Improvement District No. 1 (the "GID") are parties to a Base Village Intergovernmental Agreement dated September 30, 2006 (the "GID IGA"). Pursuant to this agreement, the Districts and the GID agreed upon the amount of aggregate mill levies to be imposed by all three entities, which is not to exceed 49.5 mills annually. Since the date of this agreement, the GID has imposed 6.0 mills and the Districts have imposed 43.5 mills, such that the total mill levy has been 49.5 mills. The GID is a separate governmental entity from the Districts which was established to provide a property tax revenue source for the Town to pay for certain public improvements. The boundaries of the GID are coterminous with the combined boundaries of the Districts. The Town Council comprises the board of directors of the GID. The primary purpose of the GID is to own and operate the Sky Cab Gondola which links Base Village to Snowmass Village. The Sky Cab Gondola is free to the public.

Other Agreements.

Management Agreement. District No. 1 and Snowmass Hospitality LLC ("SH") are parties to a Second Amended and Restated Public Facilities Management Agreement dated January 1, 2014, as extended on November 18, 2015 (the "Management Agreement"). Pursuant to this agreement, SH agrees to operate and maintain the Main Parking Garage, Transit Center and other public improvements owned, leased or controlled by District No. 1. SH is an entity which is owned by the Prior Developer. The rights and obligations of SH under the Management Agreement are expected to be transferred to an affiliate of the Developer as part of the Sale. After the completion of the Sale, the Developer's affiliate expects to continue to manage the Districts and the Developer's affiliate may continue to act under the Management Agreement or may propose entering into a new agreement with District No. 1. The current agreement expires on December 31, 2017. SH is paid a fixed fee (subject to increase each January 1 by the greater of 2% or the Consumer Price Index) in the amount of $45,000 for administering parking fees, $10,000 for maintaining the Conference Center, $15,000 for managing the Transit Center and $25,000 for administering the Districts. In addition, District No. 1 agrees to pay the costs of third party contractors and suppliers engaged by SH to perform any management services.

Conference Center Agreement. District No. 1 and the Prior Developer are parties to an Independent Contractor Agreement (Conference Center Sales, Marketing, Booking, and Operational Agreement) dated October 9, 2013 (the "Conference Center Agreement"). Pursuant to this agreement, the Prior Developer agrees to manage marketing, sales, booking and all operational responsibilities for the Conference Center owned by District No. 1. District No. 1 agrees to pay the Prior Developer 10% of all net sales or a flat fee of $25,000, whichever is greater. The rights and obligations of the Prior Developer are expected to be transferred to an affiliate of the Developer as part of the Sale. After the completion of the Sale, the Developer's affiliate may continue to act under the Conference Center Agreement or may propose entering into a new agreement with District No. 1.

Easement Agreement. District No. 1, BVO and Base Village Company, Inc. (the "Master Association") are parties to an Easement Agreement (Underground Parking Garage) dated May 31, 2011. Pursuant to this easement, BVO grants an easement to District No. 1 and the Master Association to various portions of the Main Parking Garage. In the agreement, the Master Association agrees to operate and maintain certain property, and District No. 1 agrees to operate and maintain the Transit Center. The costs of this operation and maintenance are to be allocated among BVO, the Master Association and District No. 1.

Insurance Coverage

The Boards act to protect each Taxing District, respectively, against loss and liability by maintaining certain insurance coverage. Currently, the Districts maintain insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, public officials' liability and workers' compensation insurance coverage as an alternative to the traditional insurance market. CSDPLP provides insurance coverage to over one thousand special districts and is governed by a nine-member board of special district representatives. The Districts' current policies expire on January 1, 2017, and provide, for each District respectively, $1,000,000 of coverage (per occurrence) for public entity liability insurance, which includes general liability, employee benefits administration liability, public officials liability, employment practices liability and non/owned hired auto liability.

THE DEVELOPMENT

The information contained in this section has been supplied by the Developer and the Prior Developer (both as defined below), and contains important information concerning the Prior Developer, the Developer and the Development (defined below). Investors are urged to review this information carefully before making an investment in the Bonds. Neither the District nor the Underwriter make any representation regarding the projected development plans, the financial soundness of the Developer or its ability to complete the Development as planned. See "RISK FACTORS"for a discussion of some of the primary development risks associated with the development of the remaining undeveloped property in the District. All acreage and square feet figures herein are believed by the Prior Developer and the Developer to be materially accurate, but actual acreage and square feet figures may vary from the amounts provided herein.

General Description

General. The Districts were formed for the purpose of financing public improvements related a mixed-use development located in the Town of Snowmass Village. The development is known as Base Village (referred to herein as "Base Village" or the "Development"). The Town is located in the Roaring Fork Valley in western Colorado approximately 170 southwest of Denver. See **MAP OF DISTRICT NO. 1** on page vi, **MAP OF DISTRICT NO. 2** on page vii and **AERIAL PHOTOGRAPH** on page viii.

Base Village comprises approximately 19 acres of partially developed property located at the base of the Snowmass Ski Resort ("Snowmass"). Currently, the Development contains seven Completed Buildings totaling approximately 430,487 square feet. Construction on an additional six Partially Completed Buildings began in approximately 2008 and was terminated in 2009 prior to the completion of these buildings. The Partially Completed Buildings are planned by the Developer to be completed, and the Developer expects to construct four Remaining Planned Buildings, as described further below. The Development is located at the base of the Fanny Hill and Assay Hill ski runs and at the base of the Assay Hill Chairlift, the Village Express Chairlift, the Elk Camp Gondola and the Sky Cab Gondola.

History and Ownership. The property in the Development was largely vacant until development of Snowmass in 1967. Located at the base of Snowmass, the property was partially developed over the years with various improvements. The original developer of Base Village was Intrawest/Brush Creek Development Company L.L.C. ("IBC"). IBC obtained the original Development approvals from the Town and commenced construction of the first phase. IBC sold the Development to Base Village Owner LLC ("BVO") on March 1, 2007. BVO was an affiliate of The Related Companies, a New York real estate company. BVO obtained acquisition and construction financing from Hypo Real Estate Capital Corporation ("Hypo"), which financing was secured by a deed of trust on property in the Development. During the recession, Hypo first obtained a receiver for this property and then foreclosed on the property and took title to it under the name Snowmass BV Holdco LLC ("Holdco"). Holdco then conveyed its interest in the Development to Snowmass Acquisition Company LLC ("SAC") on September 28, 2012. SAC is also an affiliate of The Related Companies. SAC is the successor to the Developer Reimbursement Agreements originally entered into by IBC and BVO described in "THE DISTRICTS – Agreements of the District." SAC is expected to assign its interest in the Developer Reimbursement Agreement to the Developer as part of the Sale.

IBC and BVO constructed seven buildings (Buildings 1, 2A, 2B, 2C, 3ABC, 3DE and 13A) from 2007-09 (the "Completed Buildings"), and commenced (but did not complete) construction of six additional buildings (Buildings 4, 5, 6, 7, 8 and 13B) (the "Partially Completed Buildings"). No construction has occurred since approximately 2009. The Prior Developer owns the commercial condominium units in the Completed Buildings, all of the Partially Constructed Buildings, the sites of the four additional planned buildings (the "Remaining Planned Buildings") and 66 completed residential condominium units in Building 13A (collectively, the "Prior Developer's Interest").

On September 22, 2016, the Prior Developer entered into the Purchase Agreement with East West for the sale of the Prior Developer's Interest in the Development. See "The Developer" below. East West has announced the formation of the Developer as a joint venture, the members of which are expected to be an affiliate of East West, an affiliate of Aspen Skiing Company and an affiliate of KSL, to acquire the Prior Developer's Interest. East West assigned its interest in the Purchase Agreement to the Developer on December 7, 2016. The Sale closed into escrow on December 15, 2016. The release of this escrow with all conditions satisfied, except for the issuance of the Bonds, is a condition to the issuance of the Bonds. The Sale and the issuance of the Bonds will occur simultaneously. After the Sale is completed, the Prior Developer is not expected to own any property in the Development.

The Development currently contains 241 completed residential condominium units. The Prior Developer owns 66 of these units, and unrelated parties own 175 of these units.

Overall Development Plan. Base Village is envisioned by the Prior Developer and the Developer to be a master-planned mixed use development which includes 17 buildings, a public plaza, pedestrian walks and five underground parking garages. The development of Base Village is governed by the Amended PUD (defined below), which can be modified if certain Town approvals are received. See "Land Entitlements and Public Approvals – Amended PUD" below. As of the date hereof, seven Completed Buildings have been constructed, comprising 39.3% of the total planned Development when measured by square feet, and six Partially Completed Buildings exist (construction was halted in 2009). No work has commenced on the four Remaining Planned Buildings. The Development is planned to contain hotel, condominium, retail, restaurant and public uses. The existing Town approvals, zoning and land entitlements are described below under "Land Entitlements and Public Approvals."

Fanny Hill Site. The District includes the 1.9 acre Fanny Hill Site, which is not contiguous with the Development, located several hundred feet west of the Development. See "Fanny Hill Site" below.

Completed, Partially Completed and Planned Buildings

General Description of the Buildings. The Amended PUD (defined below under "Land Entitlements and Public Approvals") permits the construction of 17 buildings in the Development. The following table summarizes these buildings.

Completed, Partially Completed and Planned Buildings in the Development

		Square Feet							Units			
		Residential[13]			Commercial							
Building	Year Opened	Market Rate Condominiums[6]	Employee Housing	Common Areas[7]	Hotel	Other Commercial[8]	Building Total	% of Total	Market Rate Condominiums	Employee Housing[10]	Hotel Rooms	Within District[9]
Completed Buildings:												
1*	2008	17,883	--	4,617	--	26,343	48,843	4.5%	14	--	--	1 and 2
2A*	2008	40,040	--	4,801	--	32,018	72,058	6.6	29	--	--	1 and 2
2B*	2008	22,929	1,380	8,762	--	3,780	36,851	3.4	25	2	--	1 and 2
2C*	2008	23,589	2,147	7,998	--	4,823	38,557	3.5	23	3	--	1 and 2
3ABC*	2008	--	--	--	--	15,589	15,589	1.4	--	--	--	1
3DE*	2008	--	--	-	--	8,322	8,322	0.8	--	--	--	1
13A*	2009	125,765	2,761	43,030	--	38,711	210,267	19.2	150[5]	3	--	2
Subtotal:		225,405	6,228	69,208	--	129,586[14]	430,487	39.3%	241	8	--	
Planned or Partially Constructed:[11]												
4•	n/a[1]	6,942	--	257	--	4,951	12,150	1.1%	3	--	--	1 and 2
5•	n/a[1]	21,106	2,012	15,835	47,518	18,737	105,209	9.6	15	2	102	1 and 2
6•	n/a[1]	--	--	--	--	9,775[12]	9,775	0.9	--	--	--	1
7•	n/a[2]	20,826	3,106	4,510	--	8,088	36,530	3.3	11	4	--	1 and 2
8•	n/a[3]	65,070	--	31,934	--	5,998	103,002	9.4	30	--	--	1 and 2
10A†	n/a	86,967	2,000	23,493	--	6,081	112,462	10.3	68	3	--	1 and 2
10B†	n/a	53,598	2,466	13,245	--	--	75,387	6.9	42	2	--	1 and 2
11†	n/a	51,411	1,030	11,806	--	--	64,247	5.9	25	2	--	2
12†	n/a	43,633	--	13,812	--	--	57,445	5.3	20	--	--	2
13B•	n/a[4]	62,614	5,167	19,656	--	--	87,437	8.0	49	7	--	2
Subtotal:		412,167	15,781	134,548	47,518	53,630	663,644	60.7%	263	20	102	
TOTAL:		637,572	22,069	203,756	47,518	183,216	1,094,131	100.0%	504	28	102	

* Defined herein as the Completed Buildings.
• Defined herein as the Partially Completed Buildings.
† Defined herein as the Remaining Planned Buildings.

(numeric footnotes on next page)

(1) The foundations for these buildings were constructed in 2008, but construction was stopped in 2009. The Developer plans to complete these buildings in the future.
(2) Construction of Building 7 commenced in 2008. The foundation of the building and the underlying structure for the first three floors were completed in 2009, when constructed stopped. In 2012, the first level and village level were enclosed, and this building currently serves as the temporary Base Village Welcome Center. See "Completed Buildings – Building 7."
(3) Construction of Building 8 commenced in 2008. The foundation of the building and the underlying structure for the first three floors were completed in 2009, when construction stopped. Building 8 is not certified for occupancy.
(4) The foundation of this building was constructed in 2009, and includes an approximately 200-space underground parking garage which is open for business and currently serves Building 13A.
(5) Of these units, 66 are currently owned by the Prior Developer and have been rented on a short-term basis as the branded Viceroy Hotel. For property tax assessment purposes, these units are assessed as residential units and not as commercial hotel units. The remaining 84 units are owned by homeowners.
(6) Represents sellable square feet.
(7) Represents gross square feet minus sellable residential square feet, employee housing unit square feet and sellable or leasable commercial square feet.
(8) Represents sellable or leasable square feet. Consists of retail, restaurant, office and other commercial uses.
(9) Reflects current location within the Districts for the Completed Buildings. Reflects planned location within the Districts for the Partially Completed Buildings and the Remaining Planned Buildings. As buildings are completed, it is the Developer's expectation that it will petition District No. 1 for inclusion of commercial condominium units and will petition District No. 2 for exclusion of the same units.
(10) These units have been constructed and are planned to be constructed in satisfaction of the requirements of the Housing Agreement. See "Land Entitlements and Public Approvals – Development Agreements – Housing Agreement" below.
(11) *The square feet figures of these buildings represent the current expectations of the Developer and are estimates only, particularly regarding Buildings 10A, 10B, 11 and 12, for which no construction has yet occurred. It is possible that none of these buildings will be constructed or, if constructed, it is possible that the actual constructed buildings may vary from these figures, subject to the limitation that the buildings must comply with the requirements of the Amended PUD. The Amended PUD, however, is subject to change upon approval by the Town Planning Director or the Town Council, depending on the type of change requested. See "THE DEVELOPMENT - Land Entitlements and Public Approvals" and "RISK FACTORS – Continuation of Development Not Assured."*
(12) The commercial space in Building 6 is expected to be owned by the Town and tax-exempt. See "Partially Completed Buildings – Building 6" below.
(13) Does not include any square feet allocable to underground parking spaces.
(14) See the table "Current Commercial Uses in the Development," below, for a list of current occupants and users of this space.

Sources: PUD and Developer.

Completed Buildings. The following seven buildings were completed from 2007-09 and are fully operational.

Building 1: Building 1 is located at the base of the Fanny Hill ski run, the Village Express chairlift and the Sky Cab Gondola. It contains 14 privately-owned residential condominiums on the second, third and fourth floors and skier services on the ground floor. The commercial condominiums are owned by Aspen Skiing Company, which operates the Treehouse Kids' Adventure Center and Four Mountain Kids clothing and gear store.

Building 2A: Building 2A is adjacent to Building 1 and contains 29 privately-owned condominiums on the second, third and fourth floors and retail businesses and restaurants on the ground floor. Building 2A is a part of Capitol Peak Lodge. Current businesses include the "Ricard by Viceroy" restaurant, Sake restaurant (a new tenant scheduled to open in December 2016), Performance Ski clothing and gear store, Sotheby's real estate office and Developer office space (a new user scheduled to open in December 2016). In addition, Building 2A contains the approximately 16,000 square foot Conference Center, which is owned and operated by District No. 1.

Building 2B: Building 2B is adjacent to Building 2A and contains 25 privately-owned condominiums and 2 employee housing units on the second, third and fourth floors and retail businesses on the ground floor. Building 2B is a part of Capitol Peak Lodge. Current businesses include Aspen Sports clothing, gear and rentals, Coldwell Banker real estate office and Clark's Express grocery market.

Building 2C: Building 2C is adjacent to Building 2B and contains 23 privately-owned condominiums and 3 employee housing units on the second, third and fourth floors and a Development information office on the ground floor. The Developer expects to use additional office space on the ground floor beginning in December 2016. Building 2C is a part of Capitol Peak Lodge.

Building 3ABC: Building 3ABC is located at the base of the Fanny Hill ski run and the Elk Camp Gondola across the plaza from Buildings 1 and 2A. Building 3ABC contains a Snowmass lift ticket office (owned and operated by Aspen Skiing Company), the Base Camp Bar and Grill and public restrooms.

Building 3DE: Building 3DE is located between Buildings 2 and 3ABC and contains the Slice Italian Bistro restaurant and Four Mountain Sports clothing, gear and rentals.

Building 13A: Building 13A is located in the eastern portion of the Development at the base of the Assay Hill ski run and Assay Run chairlift. Building 13A is known as the Viceroy Snowmass Resort & Hotel and contains 150 condominiums on floors two through eight. Of these 150 condominium units, 84 units are owned by individual homeowners and 66 units are owned by the Prior Developer (and under contract for sale to the Developer pursuant to the Purchase Agreement). Nearly all of the 150 units, including the 66 units owned by the Prior Developer, are part of a rental program and marketed under the Viceroy Snowmass Resort & Hotel brand. Businesses located in Building 13A include the Spa at Viceroy Snowmass, a full-service spa, 8K at Viceroy Snowmass restaurant, Nest restaurant and Four Mountain Sports clothing, gear and rentals.

Partially Completed Buildings. The following six buildings are permitted by the Amended PUD and are planned to be completed by the Developer, as described below under "Development Plan and Financing – Development Phasing." Construction of the Partially Completed Buildings began in 2008 but was halted in 2009, prior to completion. As part of its investigation into the Development, the Developer commissioned Wiss, Janney, Elstner Associates, Inc., Lakewood, Colorado, to perform certain due diligence tasks for specific buildings and assess the Main Parking Garage (which includes the lower levels of Partially Completed Buildings 4 and 5, Partially Completed Buildings 6, 7, 8 and 13B, certain pathways and retaining walls. The Developer states that it has taken into account the findings of the Structural Report in its planning for the completion of the Partially Completed Buildings. The status of each of the Partially Completed Buildings is described below.

Building 4: Building 4 is planned to be located in the center of the Development on the Central Plaza (defined below) and is planned to contain three market-rate residential condominiums on the upper floors and retail and restaurant uses on the ground floor. Aspen Skiing Company is expected to purchase Building 4 (other than the three market-rate residential condominiums). As part of the construction of the Main Parking Garage (defined below) in 2008, the foundation of Building 4 was also constructed. Above-grade construction has not yet commenced.

Building 5: Building 5 is planned to be located on the Central Plaza and is planned to contain 15 market-rate condominiums, a 102-room hotel, the 4,500 square feet Snowmass Mountain Club (described below) and two employee housing units. Aspen Skiing Company is expected to purchase Building 5 (other than the 15 market-rate condominiums). Aspen Skiing Company has announced plans to locate the Limelight Hotel and a restaurant in Building 5, as well as the Snowmass Mountain Club, which is planned to be a private club featuring reserved parking and ski valet services. The Amended PUD (defined below) restricts the Snowmass Mountain Club to 228 members. As part of the construction of the Main Parking Garage in 2008, the foundation of Building 5 was also constructed. Above-grade construction has not yet occurred.

Building 6. Building 6 is planned to be located on the Central Plaza and is required to be deeded to the Town and used as a community building. As a public building, Building 6 is not expected to be taxable and therefore is not expected to generate any property tax revenue. As part of the construction of the Main Parking Garage in 2008, the foundation of Building 6 was also constructed. Above-grade construction has not yet commenced.

Building 7. Building 7 is located in the northern portion of the Development and is planned to contain 11 market-rate condominiums (although some or all of these condominiums could be factional ownership units as described in the following paragraph) and retail space. The foundation and first four levels of Building 7 were constructed in 2008. The first four levels are enclosed but are only partially occupied. The occupied space consists of the temporary Base Village Welcome Center. Completion of the first four levels and construction of the remaining upper floors has not yet commenced.

Building 8. Building 8 is located adjacent to Building 7 and is planned to contain 30 market-rate residential condominiums and approximately 6,000 square feet of space which is required by the Amended PUD to be used as a medical clinic. The Developer expects that this space will be leased to Aspen Valley Hospital for this purpose; however, there is no guarantee that this will occur and there is no signed agreement in place with Aspen Valley Hospital. Of the 30 condominiums in Building 8 and the 11 condominiums in Building 7, 11 condominiums must be fractional ownership units. It is not known at this time in which building(s) these units will be located. The foundation of Building 8 and the structure for the upper three floors were constructed in 2008; however the upper floors are not habitable until additional construction occurs.

Building 13B. Building 13B is planned to be located on the eastern edge of the Development between existing Building 13A and planned Building 12 and is planned to contain 49 market-rate condominiums and 7 employee housing units. In 2008, the foundation of and first level of Building 13B were constructed as part of the construction of an underground parking garage containing approximately 200 spaces which is shared with Building 13A (the "Building 13AB Parking Garage"). The first level is enclosed but is not finished or habitable until additional construction occurs. Construction of Building 13B beyond the first level has not occurred.

Remaining Planned Buildings. The following four buildings are permitted by the Amended PUD and are planned to be completed by the Developer, as described below under "Development Plan and Financing – Development Phasing." No construction has occurred on the Remaining Planned Buildings.

Building 10A: Building 10A is planned to contain 68 market-rate condominiums and 3 employee housing units on the upper floors and approximately 6,081 gross square feet of retail on the ground floor. Building 10A is planned to contain a separate two-level underground parking garage which also serves Building 10B containing approximately 138 spaces (the "Building 10AB Parking Garage"). As described below in "Land Entitlements and Public Approvals," the Developer must submit a current market study to the Town at the time the Developer applies for a building permit for this building which assesses the current market for commercial space. *The market study may result in an increase or a decrease in the permitted commercial space planned to be located in Building 10A.*

Building 10B: Building 10B is planned to contain 42 market-rate condominiums and 2 employee housing units on the upper floors. Building 10B is planned to contain a separate two-level underground parking garage which also serves Building 10A containing approximately 138 spaces (the "Building 10AB Parking Garage"). As described below in "Land Entitlements and Public Approvals," the Developer must submit a current market study to the Town at the time the Developer applies for a building permit for this building which assesses the current market for commercial space. *The market study may result in an increase or a decrease in the permitted commercial space planned to be located in Building 10B.*

Building 11. Building 11 is planned to be located in the northeastern portion of the Development and is planned to contain 25 market-rate condominiums and 2 employee housing units. Building 11 is planned to contain a separate underground parking garage containing between 32 and 65 spaces, depending upon whether it will contain one level or two levels (the "Building 11 Parking Garage"). As described below in "Land Entitlements and Public Approvals," the Developer must submit a current market study to the Town at the time the Developer applies for a building permit for this building which assesses the current market for commercial space.

Building 12. Building 12 is planned to be located in the southeast corner of the Development and is planned to contain 20 market-rate condominiums. Building 12 is planned to contain a separate single-level underground parking garage containing approximately 37 spaces (the "Building 12 Parking Garage").

Public Areas

Existing Buildings 1, 2A, 3ABC and 3DE surround an open area which serves as a public gathering area at the base of the ski mountain. The primary public space planned for the Development is a central plaza (the "Central Plaza") planned to be surrounded by Buildings 4, 5 and 6. The Central Plaza is planned to contain an ice skating rink in the winter and an open area containing a water feature, lawn and play area in the summer. The Central Plaza is planned to be the location for concerts, street fairs and other public uses. The use of the Central Plaza will be governed by the Plaza Agreement described below under "Land Entitlements and Public Improvements – Development Agreements – Plaza Agreement."

Parking

The Development is planned to be served primarily by five underground parking garages containing approximately 1,021 spaces (or up to approximately 1,054 spaces if the Building 11 Garage contains only two levels). The primary garage was constructed in 2008 and contains 614 spaces on three underground levels (the "Main Parking Garage"). The Main Parking Garage is located under Completed Buildings 2A and 2B, under Partially Completed Building 8 and under Remaining Planned Buildings 4, 5 and 6, as well as under the planned Central Plaza. The Main Parking Garage is currently owned by the Prior Developer, but District No. 1 owns an easement to approximately 240 spaces which are used for public parking. The Developer plans to condominiumize the Main Parking Garage so that District No. 1 will own these spaces outright and the Transit Center, as further described below. There is no assurance that this plan will be completed, however, or if it is completed, when this will occur. The Main Parking Garage also contains the Town's transit center (the "Transit Center"), which consists of offices and dedicated space within the Main Parking Garage for use by the Town as part of its public bus transportation system.

The Building 13AB Parking Garage, containing approximately 240 spaces, was also constructed in 2008. The remaining 3 parking garages, consisting of the Building 10AB Parking Garage (planned for approximately 138 spaces), the Building 11 Parking Garage (planned for approximately 32-65 spaces) and the Building 12 Parking Garage (planned for approximately 37 spaces), have not yet been constructed.

In addition to underground parking, the Development includes 33 surface lot spaces adjacent to Building 2A. The primary purpose of this lot is to provide for short-term drop off and pick-up of children enrolled in the Children's Center located in Building 1. In addition, a surface lot containing 20 parking spaces is located adjacent to Building 7. The primary purpose of this lot is to provide for short-term parking for guests using the Base Village Welcome Center.

The Amended PUD (defined below) requires the Developer to create a car-sharing program for use by guests, residents and businesses in the Development. Other than the portion of the Main Parking Garage described above which is owned by District No. 1 pursuant to an easement, the Prior Developer owns all of the parking garages and lots.

Residential Summary

Current plans call for the development of a total of 504 market-rate condominium and 28 employee housing units. As of the date hereof, 241 market-rate units have been completed, or 48%. As of the date hereof, 8 employee housing units have been completed, or 29%. The market-rate condominiums range from studio units to 4-bedroom units, with an average size of 935 square feet. The employee housing units range from studio units to 2-bedroom units, with an average size of 786 square feet. Five of the employee housing units are owned by employees and three are owned by the Prior Developer and leased to employees. The employee housing units are managed pursuant to the Restricted Housing Agreement (defined below) by the Snowmass Housing Authority.

Commercial Summary

Current plans call for the development of a total of approximately 183,216 square feet (gross square feet, not rentable square feet) of commercial space for retail, restaurant, skier services and office uses. As of the date hereof, approximately 129,586 square feet have been completed, or 71%. The current vacancy rate is approximately 2%. Existing leasable retail space is currently being leased as follows:

Current Commercial Uses in the Development

Building	Tenant/User	Description	Leasable Square Feet
1	Aspen Skiing Co.(4)	Skier services	26,343
2A	Aspen Skiing Co.	Ski lockers	656
2A	Developer(2)	Office	1,401
2A	Performance Ski	Retail	1,325
2A	Ricard	Restaurant	5,033
2A	Sake(1)	Restaurant	2,698
2A	Sotheby's Realty	Real estate	813
2A	Viceroy/District No. 1(5)	Conference	16,191
2A	Capitol Peak	Commercial Services	3,901
2B	Aspen Sports	Retail	1,648
2B	Clark's Market	Retail	1,011
2B	Coldwell Banker	Real estate	1,121
2C	Snowmass Hospitality	Skier services	3,379
2C	Developer(3)	Office	619
2C	Capitol Peak	Commercial Services	825
3ABC	Aspen Skiing Co.(4)	Skier services	4,032
3ABC	Base Camp	Restaurant	6,131
3ABC	(Vacant)	n/a	3,051
3ABC	Building 3	Commercial Services	2,375
3DE	Aspen Skiing Co.	Retail	2,902
3DE	Aspen Skiing Co.	Storage	2,107
3DE	Slice	Restaurant	2,888
3DE	Building 3	Commercial Services	425
13A	Aspen Skiing Co.	Skier services	968
13A	Developer(3)	Office	290
13A	Viceroy	Restaurant	7,331
13A	Viceroy	Spa	5,056
13A	Viceroy	Conference	20,881
13A	Viceroy	Commercial Services	4,185
Total			129,586

(1) The previous tenant vacated this space earlier in 2016. Sake Restaurant signed a lease for this space in September 2016, and is currently renovating the space. Sake plans to open for business in December 2016.
(2) This space is currently vacant but is expected to be used by the Developer as office space after it acquires the Prior Developer's Interest.
(3) This space is currently used by the Prior Developer but is expected to be used by the Developer as office space after it acquires the Prior Developer's Interest.
(4) These units are owned by Aspen Skiing Company. The other units used by Aspen Skiing Company are owned by the Prior Developer and leased to Aspen Skiing Company.
(5) This unit is owned by District No. 1 and operated by Viceroy. It is exempt from property taxation.

Source: Prior Developer.

Development Plan and Financing

Upon its acquisition of the Development, the Developer plans to pursue the completion of the Development as approved in the Amended PUD (subject to the requirements of the Amended PUD). The Developer expects to retain a marketing firm to help this endeavor and plans to establish an in-house brokerage in Base Village to assist with the sale of the market-rate residential condominiums.

Development Phasing. The Developer plans to complete construction of the six Partially Completed Buildings and to construct the four Remaining Planned Buildings and the Central Plaza and other amenities of the Development according to the following schedule. Phase I is expected to begin in April 2017 and Phase V is expected to be completed in November 2024, representing a build-out schedule of approximately 7.5 years. *The following development phasing schedule represents the Developer's current plans. The actual rate of development, however, will depend upon the availability of construction financing, market conditions and other factors which cannot be predicted at this time. It is possible that the development phasing described below may not occur on the dates described and may not occur at all. Prior to construction commencing, certain additional Town approvals are required, as described in "Land Entitlements and Public Approvals" below.*

Phase I: The first phase of construction consists of the development of Lots 2 and 3, which include the Central Plaza and Buildings 4, 5, 6, 7 and 8. The Developer plans to begin construction of the Central Plaza and Buildings 4, 5 and 6 in April 2017, with a scheduled completion date of November 2018. The Developer plans to begin work to complete the construction of Buildings 7 and 8 in August 2017, with completion scheduled for Spring 2019.

Phase II: The second phase of construction consists of the construction of Building 13B and residential development on the Fanny Hill Site. The Developer plans to begin construction in April 2019, with a scheduled completion date of November 2020.

Phase III: The third phase of construction consists of the construction of Buildings 11 and 12. The Developer plans to begin construction in April 2020, with a scheduled completion date of November 2021.

Phase IV: The fourth phase of construction consists of the construction of Building 10A. The Developer plans to begin construction in April 2021, with a scheduled completion date of November 2022.

Phase V: The fifth phase of construction consists of the construction of Building 10B. The Developer plans to begin construction in April 2023, with a scheduled completion date of November 2024.

Development Financing. The Developer's purchase of the Prior Developer's Interest from the Prior Developer is expected to be financed primarily with the proceeds of a loan in the maximum amount of $60,000,000. Upon the Developer's acquisition of the Prior Developer's Interest, the Developer expects the lender to attach a security interest in the amount of approximately $53,000,000 to the Prior Developer's Interest.

The Developer plans to obtain construction financing for Buildings 4, 5, 7 and 8 once it receives updated pricing on those buildings. The Developer has engaged in preliminary construction financing discussions with multiple banks and does not anticipate that the financing for these buildings will delay the phasing schedule outlined above. The members of the Developer expect to contribute additional equity to each of these buildings individually to supplement the construction financing in the capital stack. The Developer is also prepared to provide guarantees, if needed, to obtain construction financing.

The Developer has not begun planning the financing for Buildings 10A, 10B, 11, 12 or 13B. At this time, the Developer expects that these buildings will be financed with a mixture of bank financing and Developer equity; however, such financing is speculative.

Land Entitlements and Public Approvals

General History. The Development was initially approved by the Town Council in 2004 by the adoption of Ordinance No. 21, Series of 2004, which approved the Base Village Planned Unit Development Guide (as amended in 2007, the "Original PUD"). On December 21, 2015, the Town Council adopted Ordinance No. 9, Series of 2015, approving a major amendment to the Original PUD (the "Amended PUD").

Zoning. The Amended PUD states that the zoning of the Development is Mixed-Use-2. The permitted uses, densities and other details of the Development are provided in the Amended PUD. The Amended PUD permits certain variances from the Mixed-Use-2 zoning category, as described in the Amended PUD.

Amended PUD. The Amended PUD contains detailed descriptions of the size and type of development which is permitted on each of the eight parcels in the Development. The description of the Completed Buildings, Partially Completed Buildings and Remaining Planned Buildings above conforms to the Amended PUD. The Amended PUD also requires the Developer to construct the Central Plaza as a community amenity, construct Building 6 and convey it to the Town and contribute certain cash to the Town. The Amended PUD permits up to 506 multi-family units, 102 hotel units and 22,069 square feet of restricted employee housing to be located in 28 employee housing units. The Amended PUD also permits up to 252,520 square feet of non-residential uses, consisting of 75,000 square feet of commercial (retail and restaurant) uses, 47,518 square feet of hotel uses, 46,727 square feet of skier services, 26,275 square feet of commercial service areas and 57,000 square feet of community facilities. The Amended PUD includes building height restrictions, design restrictions, parking requirements and similar restrictions and requirements.

As described below, a building permit must be issued by the Town prior to construction beginning on any building. The Amended PUD permits the Developer to modify the designs and features of the Partially Constructed Buildings and the Remaining Planned Buildings from the buildings described above, but only within certain parameters and only with the approval of the Town Planning Director ("Minor Modifications"). In general, Minor Modifications consist only of modifications which do not affect the mass or scale of the buildings. For example, a change in the number of residential units per building not exceeding five units and a change in the amount of commercial space per building not exceeding 1,000 square feet may be approved by the Planning Director. Any changes to the approved buildings in the Amended PUD which are not permitted to be made by the Planning Director ("Major Modifications") would require an amendment to the Amended PUD, which would require Town Council approval after one or more public hearings. The Developer currently believes that it is likely that it will seek approval for Minor Modifications as the Partially Constructed Buildings and Remaining Planned Buildings are designed and constructed. The Developer currently does not plan to seek approval for any Major Modifications; however, the Developer has the right to do so and no assurance can be given that the Developer will not do so in the future.

Development Agreements. At the time the Town Council approved the Amended PUD in December 2015, it did so on a conditional basis pending the negotiation and agreement between the Town and the Prior Developer of a number of agreements related to the Development. At the Town Council meeting on September 19, 2016, the Town Attorney informed the Town Council that the Prior Developer and the Town had reached agreement on all of these agreements, and all of the agreements were executed as of September 19, 2016. As part of the Purchase Agreement, each of these agreements is required to be assigned from the Prior Developer to the Developer. These agreements include the following:

Development Agreement. The Prior Developer and the Town are parties to the Base Village Development Agreement dated September 19, 2016 (the "Development Agreement"). The Development Agreement replaces a similar agreement dated November 3, 2004, and sets forth the Developer's vested property rights, conditions subsequent to the continued existence of the vested property rights, milestone and interim deadlines and agreements with regard to any defaults or construction interruptions. The vested property rights include the right to develop, plan and engage in land uses in the Development in accordance with the provisions of Town ordinances for the duration of the development milestone timeline. The vested property rights expire on November 3, 2018, but if the Developer meets certain development milestones by that date, the vesting date is extended until November 3, 2019. If the Developer meets certain other development milestones by that date, the vesting date is extended until November 3, 2024.

The vesting deadlines include substantial completion of the roundabout by November 18, 2016 (which deadline the Prior Developer has met) and substantial completion of Buildings 4, 5, 6, 7 and 8 by November 3, 2018, in addition to other improvements. If the Developer fails to substantially complete Buildings 6, 7 and 8 by this deadline, it will be subject to liquidated damages in the amount of $1,500/day up to $1,000,000. If such damages are not paid, the Developer is subject to losing its vested property rights on any buildings for which construction has not yet started.

The Town agrees that it will not enforce against the Developer or the property in the Development any amendment to the Municipal Code adopted after November 3, 2004, or any other zoning, land use or other legal administrative rule, regulation or ordinance that does not apply to the property in the Development as of November 3, 2004 or otherwise take any action that would directly or indirectly impair or delay the development or use of the property. The Town also agrees that it will not subject development or use of the property to any payments, dedication or reservation requirements or the payment of any fees in connection with the development and construction of the property.

Housing Agreement. The Prior Developer and the Town are parties to the Base Village Restricted Housing Agreement dated September 19, 2016 (the "Housing Agreement"). The agreement states that the Development will be required to provide an additional 16,394 square feet of Restricted Housing (defined below) in future phases. During

Phase I (described above), the Developer is required to provide 5,118, square feet of Restricted Housing. "Restricted Housing" is defined as one or more residential dwelling units intended to be used to house employees generated by the Development or other individuals employed within the Town. It defines how this requirement shall be satisfied, the timing for satisfaction, prerequisites to development, pricing guidelines regarding the rental or sale of said housing, guidelines for rental availability, reporting requirements, a declaration requirement that restrictive covenants be filed prior to any sale of Restricted Housing units by the Prior Developer and agreements as to default or assignment capabilities. The Housing Agreement states that the on-site Restricted Housing shall be constructed contemporaneously with the development of the applicable building within which the Restricted Housing is located.

Subdivision Improvements Agreement. The Prior Developer and the Town are parties to the Subdivision Improvements Agreement for the Base Village Planned Unit Development dated September 19, 2016 (the "SIA"). The SIA requires the Prior Developer to construct public improvements related to the Development, including: a roundabout (estimated cost $4,335,552); a mini-roundabout (estimated cost $350,000); bus bay improvements (estimated cost $118,931); Upper Wood Road improvements (estimated cost $1,400,000) and snowmelt improvements (estimated cost $350,000). The Prior Developer is required to warrant the improvements against defects for two years and post security in the form of a letter of credit, performance bond or other security acceptable to the Town for purposes of assuring the completion of the improvements. The SIA requires the Prior Developer to complete these improvements at various times, from November 1, 2016 substantial completion for the roundabouts (which deadline was met) to November 1, 2018 for the snowmelt improvements. The SIA also requires the Prior Developer to install landscaping improvements in the Development with a total estimated cost of $5,500,000.

Services Agreement. The Prior Developer and the Town are parties to the Base Village Services Agreement dated September 19, 2016 (the "Services Agreement"). The Services Agreement addresses a number of transportation and parking-related obligations of the parties, along with marketing cost-sharing arrangements, access to buildings and other services, and obligates the Prior Developer to make a Town contribution.

Easement Agreement. The Prior Developer and the Town are parties to an Easement Agreement (Landing Site and Aerial Tramway On and Across Base Village Lot 3) dated September 19, 2016 (the "Easement Agreement"). Lot 3 of the Development, in which Buildings 6, 7 and 8 are planned and partially constructed, is the location of an easement to the Town for the landing site of a planned aerial tramway which, if constructed, would link Base Village to other parts of the Town. The aerial tramway, if constructed, is anticipated to be a Town project and outside of the control of the Prior Developer. There is no assurance that the tramway will ever be constructed.

Events Plaza Community Purpose Agreement. The Prior Developer, the Town, Aspen Skiing Company and the Master Association (defined below) are parties to a Base Village Lot 2 Events Plaza Community Purpose Agreement dated September 19, 2016 (the "Plaza Agreement"). This agreement addresses the design, construction, operation, use, signage and event scheduling with regard to the Central Plaza described above under "Public Areas." The Plaza Agreement states that the Central Plaza will be designed and constructed for multiseasonal events and to work in conjunction with Aspen Skiing Company's planned hotel project in Building 4 and the Town's ownership and use of Building 6. The agreement states that the Master Association will operate the Central Plaza and will grant Aspen Skiing Company and the Town licenses to use the Central Plaza for events.

Building 6 Agreement. The Prior Developer and the Town are parties to a Building 6 Community Purpose Agreement dated September 19, 2016 (the "Building 6 Agreement"). This agreement addresses the construction and use of Building 6, which is planned to be owned and operated by the Town as a community building. See "Status of Construction – Planned or Partially Constructed Buildings – Building 6" above. The agreement states that the Amended PUD requires the Prior Developer to construct a community facility on Lot 3 (referred to as Building 6) as a condition of the Prior Developer's right to construct certain portions of the Development. The agreement requires the Prior Developer to submit final architectural plans for Building 6 to the Town by January 1, 2017, and to complete the construction of Building 6 by November 1, 2018. For a period of 14 years after the conveyance of Building 6 to the Town, the Town will be exempted from all Master Association assessments and utility costs associated with Building 6.

Additional Approvals. Additional Town approvals are required prior to the completion of the construction of the Partially Completed Buildings and the commencement of construction of the Remaining Planned Buildings.

Buildings 4, 5 and 13B require only the issuance of a building permit by the Town. Pursuant to the Town Code, building permits will be issued only upon the satisfaction of certain requirements.

Buildings 6, 7, 8, 10A, 10B, 11 and 12 require additional architectural review. Prior to obtaining a building permit for any of these buildings, the Developer is required to submit architectural plans to the Town Planning Director. The Planning Director is required to determine if the plans conform to the Amended PUD and the preliminary architectural plans which have already been approved by the Town. If the Planning Director approves the plans, the Developer is required to apply for a building permit from the Town.

Buildings 10A, 10B and 11 require an additional step prior to the issuance of a building permit. Concurrently with requesting a building permit for Buildings 10A, 10B or 11, the Developer must also submit a current market study to the Town for review. The market study is expected to provide support for reducing, increasing or maintaining the current commercial offering in accordance with approved development statistics. The Town Council is permitted to take into the market study into account prior to issuance of a building permit, with the result that these buildings could contain more or less commercial space than is currently planned.

Planned Public Improvements

The Service Plan authorizes the Districts to construct streets, drainage facilities, bridges, parking facilities, street landscaping, park and recreation facilities and public transportation facilities. Since approximately 2006, approximately $40.4 million of public improvements related to the Development have been constructed by the BVO and other prior developers. A portion of these costs have been reimbursed by the District to BVO and other prior developers; however, additional unreimbursed expenses remain. See "THE DISTRICT – Agreements of the Districts – Omnibus Reimbursement Agreement." These improvements include, but are not limited to, the Main Parking Garage, snowmelt systems, the Transit Center, road bridges, the Conference Center, street and road improvements, skier bridges and a fire truck. Currently, substantially all public improvements necessary to support the planned Development have been constructed.

Environmental Matters

On November 24, 2015, Tetra Tech, Louisville, Colorado, issued a Phase I Environmental Report on the property in the Development (the "Phase I"). The Phase I states that Tetra Tech did not recognize any "recognized environmental conditions" associated with the property. The Phase I states, however, that the condensate pumps in Buildings 2A and 13A could potentially be recognized environmental conditions due to their location, limited access and other factors. The Phase I also notes that chemicals are stored on the property, various elevators, escalators and trash compactors contain hydraulic flue and three discharges of treated water to Brush Creek exist, all of which are subject to water quality monitoring.

Restrictive Covenants

The original developers created the Base Village Company, Inc., a Colorado nonprofit corporation (the "Master Association") as the master property owners' association for the entire development. The original developers' practice was to create smaller additional property owners' associations as each building was constructed and record Declarations of Covenants, Conditions and Restrictions for the applicable property. Accordingly, the original developers also created the Capitol Lodge Homeowners Association, Inc. (for the residential units in Buildings 2A, 2B and 2C), Hayden Lodge Condominium Association, Inc. (for the residential units in Building 3), Building 3 Condominium Association, Inc. (for the non-residential units in Building 3) and Assay Hill Lodge Condominium Association, Inc. (for the residential units in Building 13A). The covenants restrict the uses of the property and generally obligate owners to maintain the property in accordance with the requirements set forth therein. The Developer expects that it will continue this practice and will form a new property owners' association for new portions of the Development as they are constructed.

Fanny Hill Site

District No. 2 includes a 1.9-acre parcel of vacant property located several hundred feet west of Base Village, directly adjacent to the Fanny Hill ski run (the "Fanny Hill Site"). The Fanny Hill Site is not part of the Development and is not regulated by the Amended PUD. Rather, development of the Fanny Hill Site is regulated by the Fanny Hill Cabins Planned

Unit Development approved by the Town in 2004 (the "Fanny Hill PUD"). The Fanny Hill PUD permits the development of up to 10 multi-family dwelling units which may include townhomes and condominiums, which may not exceed 25,875 square feet of gross floor area and which requires the inclusion of a caretaker housing unit on the parcel.

The Fanny Hill Site was platted in 2004 as a single parcel, with a skier access and trail easement running through the parcel. The Fanny Hill PUD (as amended in 2016) imposes the following conditions on the development of the Fanny Hill Site: (a) no building permits will be issued for construction on the Fanny Hill Site until construction of Building 5 of Base Village has substantially commenced, by July 1, 2017 for a Limelight brand hotel, to be completed by November 1, 2018; and (b) no certificates of occupancy will be issued on the Fanny Hill Site until temporary certificates of occupancy have been issued for Buildings 4 and 5 of Base Village. The Developer plans to begin construction of Buildings 4 and 5 in April 2017, with completion scheduled for November 2018.

The Fanny Hill Site is owned by Brush Creek Land Company, LLC, which is the land development subsidiary of Aspen Skiing Company. The Market Analysis includes projected development of 10 townhomes on this property in two buildings, with an average size per unit of approximately 2,500 square feet, although such plans are subject to change. See Appendix B. The Developer expects construction to begin in April 2019.

The Developer

Prior Developer. The current owner of the Development is Snowmass Acquisition Company LLC, a Delaware limited liability company (the "Prior Developer"). The Prior Developer is owned by The Related Companies, a privately-owned real estate firm based in New York City. As of the date of this Limited Offering Memorandum, the Prior Developer is the owner of the Prior Developer's Interest. Pursuant to the Purchase Agreement described above, however, the Prior Developer is expected to sell all of its interests in the Development to the Developer. The closing of this Sale is a condition to the sale of the Bonds.

Prospective Developer. The prospective developer of the Development is a joint venture, the members of which are currently expected to be an affiliate of East West, an affiliate of Aspen Skiing Company LLC and an affiliate of KSL Capital Partners. The joint venture is Snowmass Ventures, LLC, a Delaware limited liability company, referred to herein as the "Developer." East West is the manager of the Developer.

Aspen Skiing Company is the owner and operator of the four ski mountains in the Aspen area: Aspen, Snowmass, Aspen Highlands and Buttermilk. Aspen Skiing Company also owns hospitality properties including the Little Nell Hotel and Limelight Hotel in Aspen and the Limelight Hotel in Ketchum, Idaho. Aspen Skiing Company also owns and operates various retail and residential rental properties in the Roaring Fork Valley.

KSL is a private equity firm focused exclusively on investments in travel and leisure businesses in five primary sectors: hospitality, recreation, clubs, real estate and travel services. KSL is based in Denver, Colorado, with offices in Stamford, Connecticut, and London, England. Since 2005, KSL has raised approximately $7.4 billion in equity capital commitments, and is currently investing its most recent $2.7 billion fund, which closed in September 2015. In the joint venture, the members are obligated to contribute 100% of the required project equity, on a pro rata basis in accordance with their ownership interests.

East West is a national real estate development company based in Avon, Colorado, which was founded in 1986 with the purchase of land in the then-emerging resort of Beaver Creek. Since that time, East West has developed more than 60 projects comprising more than $3.0 billion of residential and commercial real estate in both resort and urban locations across the country.

East West is currently under construction on a number of projects across the country. In the resort setting, these include a 27-unit ski-in/ski-out community in Deer Valley, Utah called One Empire Pass, and 13 single-family, four-bedroom homes on the Hawaiian island of Kauai. East West is also under construction on a 430,000 square foot office building in Denver's Union Station neighborhood, a 342-unit condominium tower also in the Union Station neighborhood and eight urban row homes in Denver's Boulevard One neighborhood. East West also recently finished the Triangle Building, a ten-story, approximately 200,000 square foot, office building in Denver's Union Station neighborhood.

In addition to its role as a member of Developer, East West will act as the project manager for the Development, under a Project Management Agreement with the Developer. East West's activities as project manager for the Development are expected to be led by Andy Gunion and Jim Telling.

Andy Gunion. Mr. Gunion led East West's development of the Westin Riverfront Resort and Spa in Avon, Colorado, which opened in 2008. In 2012, Mr. Gunion became the Chief Financial Officer of East West. He plans to relocate to the Aspen area upon the closing of the Purchase Agreement. Mr. Gunion's duties with regard to the Development are executive oversight of the financing, development and operations of Base Village. Mr. Gunion previously worked for Vail Resorts Development Company, after which he obtained an MBA and Master of Real Estate Development from the University of Southern California before returning to the Vail Valley. Mr. Gunion is a member of several homeowners associations and metropolitan district boards and is on the board of directors of the Vail Valley Mountain Bike Association.

Jim Telling. Mr. Telling has overseen numerous development projects on behalf of East West in Vail, Beaver Creek, Bachelor Gulch and Lake Tahoe including the Ritz Carlton in Lake Tahoe. His most recent townhome project received LEED Gold certification. He has served on numerous boards of directors of homeowner associations and nonprofit organizations. He began his career as a Certified Public Accountant with Deloitte, Haskins and Sells and then moved on to Vail Associates in a variety of roles. Mr. Telling's duties with regard to the Development are day-to-day management of design, development and construction of future Base Village phases.

Public Services for the Development

The Development is in the Town, which provides most municipal services. The Town provides police protection, public works, public transportation and zoning and land use reviews and approvals. Public education is provided by Aspen School District RE-1. All public schools are located in the City of Aspen approximately 10 miles from Snowmass. Fire protection is provided by the Snowmass-Wildcat Fire Protection District. Health care is provided by Aspen Valley Hospital District. The Development is also located in the Pitkin County Library District and the Aspen Historic Park and Recreation District. Natural gas is provided by Black Hills Energy and electricity is provided by Holy Cross Energy.

Water and sanitation service is provided by Snowmass Water and Sanitation District ("SWSD"). On May 28, 2015, SWSD issued a "will serve" letter to the Town stating that SWSD will provide water and sanitary sewer service to the development described in the Amended PUD so long as applicable tap fees are paid, improvements are built to SWSD's specifications and conveyed to SWSD, and other requirements.

Snowmass Ski Resort

Snowmass Ski Resort opened in 1967 and is owned and operated by Aspen Skiing Company. Snowmass contains approximately 3,332 skiable acres, making it the largest of the four Aspen-are ski mountains and the second largest ski resort in Colorado. Snowmass contains 20 lifts and 94 runs, and the most vertical feet of any ski resort in the United States. The base elevation is 8,104 feet and the top elevation is 12,510 feet. See "ECONOMIC AND DEMOGRAPHIC INFORMATION – Tourism and Recreation" for additional information regarding skiing and other recreational amenities in and around Snowmass.

FINANCIAL INFORMATION OF THE DISTRICTS

Sources of Revenues

General; Ad Valorem Property Taxes. Ad valorem property taxes, described below and in "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT" constitute the largest source of revenue for the Districts and are expected to be the primary source of Pledged Revenue for the Bonds. Additional sources of revenue include specific ownership taxes, Capital Facility Fees, revenue from operations (for District No. 1) (revenue from operations is not pledged pursuant to the Capital Pledge Agreement) and interest income. Projected revenues and expenditures of the Districts are set forth in the Cash Flow Forecast attached hereto as Appendix D. See "RISK FACTORS – Risks Related to the Projections."

Specific Ownership Taxes. The Pledged Revenue includes the portions of the Specific Ownership Tax (defined below) which are collected as a result of the imposition of the Required Mill Levy. The State Constitution requires the General Assembly to enact laws classifying motor vehicles and requiring payment of a graduated annual specific ownership tax thereon, which tax is to be in lieu of ad valorem property taxes on motor vehicles. Accordingly, the State imposes such a tax (the "Specific Ownership Tax"), which is payable at a graduated rate which varies from 2.1% of taxable value in the first year of ownership, to $3 per year in the tenth year of ownership and thereafter. The Specific Ownership Tax is collected by each county clerk and recorder at the time of motor vehicle registration. Most Specific Ownership Tax revenues (including revenues received from owners of passenger cars and trucks, which constitute the majority of Specific Ownership Tax revenues) are paid directly to the county treasurer of the county in which the revenues are collected. Specific Ownership Tax revenues on certain types of vehicles are paid by the counties to the State and are then distributed back to the counties in the proportion that the mileage of the State highway system located within the boundaries of each county bears to the total mileage of the State highway system.

Each county apportions its Specific Ownership Tax revenue to each political subdivision in the county in the proportion that the amount of ad valorem property taxes levied by the political subdivision in the previous year bears to the total amount of ad valorem property taxes levied by all political subdivisions in the county in the previous year. Based upon these percentages, each county then distributes Specific Ownership Tax revenue to each political subdivision on the tenth day of each month. Accordingly, the amount of Specific Ownership Tax which is received by each District depends upon the amount of ad valorem property taxes levied by that District.

Capital Facility Fees. The Districts impose a Capital Facility Fee within District No. 2 pursuant to the Capital Facility Fee Resolution. The Capital Facility Fee and Capital Facility Fee Resolution are described in "SECURITY FOR THE BONDS – Capital Facility Fees."

Operations Revenue. District No. 1 receives revenue from the operation of the Transit Center, the Main Parking Garage and the Conference Center. See "THE DISTRICTS – Agreements of the Districts." This revenue is not pledged pursuant to the Capital Pledge Agreement.

Budget Process

The Districts are required by law to adopt an annual budget setting forth: all proposed expenditures for the administration, operations, maintenance, debt service, and capital projects to be undertaken during the budget year of all offices, units, departments, boards, commissions, and institutions of the applicable District; anticipated revenues; estimated beginning and ending fund balances; actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year; a written budget message describing the important features of the proposed budget; and explanatory schedules or statements classifying the expenditures by object and the revenues by source. No budget shall provide for expenditures in excess of revenues by source.

No later than October 15 of each year, the person appointed to prepare the budget must submit a proposed budget to the Boards for the ensuing year. Under certain circumstances, the Boards must cause to be published a notice that such proposed budget is open for inspection by the public. Prior to adoption, any eligible elector of the Districts may register his or her objections to the proposed budgets. Each District must adopt its budget by December 15 if it is imposing a mill levy. After adoption of the budget, the Boards must enact a corresponding appropriation resolution before the beginning of the fiscal year. If either District fails to file a certified copy of its budget within thirty days following the beginning of the fiscal year (i.e., by the following January 30) with the Colorado Division of Local Government in the Department of Local Affairs, the division may authorize the County Treasurer to prohibit release of such District's tax revenues and other moneys held by the County Treasurer until such District files its budget.

In general, the Districts cannot expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. However, in the case of an emergency or some contingency which could not have been reasonably foreseen, the Boards may authorize the expenditure of funds in excess of the budget by adopting a resolution. If a Taxing District receives revenues which were unanticipated at the time of adoption of the budget (other than property taxes), the applicable Board may authorize the expenditure of such revenues by adopting a supplemental budget after notice and hearing.

Financial Statements

Under State law, each Board is required to have the financial statements of the applicable Taxing District audited annually. The audited financial statements must be filed with the Boards by June 30 of each year and with the State Auditor 30 days later. If either District fails to file its audit report with the State Auditor, the State Auditor may, after notice to such District, authorize the County Treasurer to prohibit release of the applicable District's tax revenues and other moneys held by the County Treasurer until the District files the audit report. The audited financial statements of the Districts for the year ended December 31, 2015, and the reports of the certified public accountants, are included in this Limited Offering Memorandum in Appendices A and B, respectively. The audited financial statements included in Appendices A and B represent the most recent audited financial statements of the Districts.

Funds of the Districts

Each District uses a General Fund as its primary operating fund, accounting for all financial resources of the general government, except those required to be accounted for in another fund. In addition, District No. 1 uses a Capital Projects Fund to account for financial resources to be used for the acquisition or construction of major capital facilities. District No. 2 also uses a Debt Service Fund to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds. District No. 1 used a Capital Projects Fund until December 31, 2014.

History of Revenues and Expenditures

District No. 1. Set forth below is a five-year comparative statement of revenues, expenditures and changes in fund balance for District No. 1's General Fund and Capital Projects Fund. The figures in the charts below have been derived from District No. 1's audited financial statements for the years ended December 31, 2011 through 2015, and are set forth in accordance with generally accepted accounting principles. District No. 1's audited financial statements for the year ended December 31, 2015 are attached as Appendix A. Audited financial statements for the years ended December 31, 2011 through 2014 may be obtained from the sources noted in "INTRODUCTION – Additional Information."

Statement of Revenue, Expenditures and
Changes in Fund Balance – District No. 1 General Fund

	Years Ended December 31,				
	2011	2012	2013	2014	2015
REVENUES					
Property taxes	$176,277	$163,165	$155,616	$123,735	$124,328
Specific ownership tax	4,277	5,031	4,661	4,162	3,954
Intergovernmental revenue(1)	237,842	178,058	187,116	210,792	220,106
Investment income	221	171	349	328	1,244
Other income	--	--	--	--	541
Transit center revenue	970	411	587	471	181
Parking garage user fees	237,149	240,325	345,772	364,092	421,965
Conference center revenue	24,041	32,200	31,845	25,000	25,000
Total	680,777	619,361	725,946	728,580	797,319
EXPENDITURES					
Accounting	58,851	51,907	46,628	37,195	31,429
Administrative	--	--	--	25,000	25,000
Audit	8,422	8,604	8,902	9,112	9,300
County Treasurer's fees	8,814	8,158	7,784	6,178	6,216
Insurance and bonds	29,979	35,289	35,455	37,369	41,471
Legal services	86,103	85,270	64,794	28,964	52,314
Professional fees	20,577	12,883	--	--	--
Utilities	449	325	497	693	3,051
Bank and merchant fees	389	6,460	6,693	632	547
Miscellaneous	337	--	--	485	--
Conference center operations	134,079	139,390	157,008	114,802	120,185
Parking garage operations	301,027	404,284	375,585	393,316	400,141
Transit center operations	127,562	136,234	171,822	179,189	180,068
Interest expense – County	--	675	--	--	--
Total	776,589	889,479	875,409	832,944	869,722
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(95,812)	(270,118)	(149,463)	(104,364)	(72,403)
OTHER FINANCING SOURCES (USES)					
Developer advance (repayment)	55,000	285,000	250,000	--	85,000
Total	55,000	285,000	250,000	--	85,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(40,812)	14,882	100,537	(104,364)	12,597
FUND BALANCE – BEG. OF YEAR	38,648	(2,164)	12,718	113,255	8,891
FUND BALANCE - END OF YEAR	$(2,164)	$12,718	$113,255	$8,891	$21,488

(1) Represents payments received by District No. 1 from District No. 2 for operations and maintenance services. See "THE DISTRICTS – Agreements of the Districts – Master District IGA."

Sources: District No. 1's audited financial statements for the years ended December 31, 2011-15.

Statement of Revenue, Expenditures and
Changes in Fund Balance – District No. 1 Capital Projects Fund

	Years Ended December 31,				
	2011	2012	2013	2014	2015
REVENUES					
Intergovernmental revenue	$1,102,921	$ --	$ --	$ --	$ --
Interest income	--	1,226	538	--	--
Total	1,102,921	1,226	538	--	--
EXPENDITURES					
Accounting	4,661	9,933	--	--	--
Legal services	195,440	18,750	5,288	11,737	--
Engineering	1,600	--	--	--	--
Capital outlay	71,176	27,649	8,272	12,559	--
Total	272,877	56,332	13,560	24,296	--
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	830,044	(55,106)	(13,022)	(24,296)	--
OTHER FINANCING SOURCES (USES)					
Developer advance (repayment)	--	(285,000)	(250,000)	--	(85,000)
Total	--	(285,000)	(250,000)	--	(85,000)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	830,044	(340,106)	(263,022)	(24,296)	(85,000)
FUND BALANCE – BEG. OF YEAR	--	830,044	489,938	226,916	202,620
FUND BALANCE - END OF YEAR	$830,044	$489,938	$226,916	$202,620	$117,620

Sources: District No. 1's audited financial statements for the years ending December 31, 2011-15.

District No. 2. Set forth below is a five-year comparative statement of revenues, expenditures and changes in fund balance for District No. 2's General Fund and Debt Service Fund. The figures in the charts below have been derived from District No. 2's audited financial statements for the years ended December 31, 2011 through 2015 and are set forth in accordance with generally accepted accounting principles. District No. 2's audited financial statements for the year ended December 31, 2015 are attached as Appendix B. Audited financial statements for the years ended December 31, 2011 through 2014 may be obtained from the sources noted in "INTRODUCTION – Additional Information."

Statement of Revenue, Expenditures and
Changes in Fund Balance – District No. 2 General Fund

	Years Ended December 31,				
	2011	2012	2013	2014	2015
REVENUES					
Property taxes	$243,985	$181,765	$192,375	$214,283	$223,115
Specific ownership tax	5,937	5,576	5,742	7,128	7,808
Investment income	119	28	87	95	350
Total	250,041	187,369	198,204	221,506	231,273
EXPENDITURES					
County Treasurer's fees	12,199	9,027	9,619	10,714	11,167
Interest expense – County	--	1,753	--	--	--
Intergovernmental payments[(1)]	237,842	178,058	187,116	210,792	220,106
Total	250,041	188,838	196,735	221,506	231,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	(1,469)	1,469	--	--
FUND BALANCE – BEG. OF YEAR	--	--	(1,469)	--	--
FUND BALANCE - END OF YEAR	$ --	$(1,469)	$ --	$ --	$ --

(2) Represents payments received by District No. 1 from District No. 2 for operations and maintenance services. See "THE DISTRICTS – Agreements of the Districts – Master District IGA."

Sources: District No. 2's audited financial statements for the years ended December 31, 2011-15.

Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2 Debt Service Fund

	Years Ended December 31,				
	2011	2012	2013	2014	2015
REVENUES					
Property taxes	$1,524,024	$1,135,372	$1,201,647	$1,338,072	$1,393,663
Specific ownership tax	37,081	34,831	35,890	44,554	48,799
Capital facility fees	25,750	--	283,250	103,000	72,100
Investment income	4,488	5,590	2,553	2,325	4,774
Total	1,591,343	1,175,793	1,523,340	1,487,951	1,519,336
EXPENDITURES					
County Treasurer's fee	76,244	56,414	60,116	66,959	69,798
Interest expense – County	--	10,957	--	--	--
Miscellaneous	--	--	2,658	--	--
Bond principal	--	4,375,000	--	600,000	620,000
Bond interest	335,250	27,122	13,524	853,123	816,060
Bond issue costs	--	--	806,412	--	--
Paying agent/trustee fees	10,500	6,650	6,500	--	3,000
Letter of credit fees	508,542	319,466	311,172	--	--
Remarketing fees	148,353	30,400	22,800	--	--
Total	1,078,889	4,826,009	1,223,182	1,520,082	1,508,858
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	512,454	(3,650,216)	300,158	(32,131)	10,478
OTHER FINANCING SOURCES (USES)					
Bond issuance	--	--	44,060,000	--	--
Refunding payment	--	--	(44,297,000)	--	--
Transfer from District No. 1	--	20,600	--	--	--
Transfer to (from) other fund	(11,727)	(190,287)	102,361	10	--
Total	(11,727)	(169,687)	(134,639)	10	--
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	500,727	(3,819,903)	165,519	(32,121)	10,478
FUND BALANCE – BEG. OF YEAR	4,444,657	4,945,384	1,125,481	1,291,000	1,258,879
FUND BALANCE - END OF YEAR	$4,945,384	$1,125,481	$1,291,000	$1,258,879	$1,269,357

Sources: District No. 2's audited financial statements for the years ending December 31, 2011-15.

Statement of Revenue, Expenditures and
Changes in Fund Balance – District No. 2 Capital Projects Fund

	Years Ended December 31,			
	2011	2012	2013	2014[(1)]
REVENUES				
Investment income	1,438	82	123	--
Total	1,438	82	123	--
EXPENDITURES				
Intergovernmental	1,102,921	--	--	--
LOC extension costs	161,073	127,684	--	--
Total	1,263,994	127,684	--	--
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,262,556)	(127,602)	123	--
OTHER FINANCING SOURCES (USES)				
Transfers from (to) other fund	11,727	190,287	(102,361)	(10)
Total	11,727	190,287	(102,361)	(10)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(1,250,829)	62,685	(102,238)	(10)
FUND BALANCE – BEG. OF YEAR	1,290,392	39,563	102,248	10
FUND BALANCE - END OF YEAR	$39,563	$102,248	$ 10	$ --

(1) District No. 2 discontinued the use of the Capital Projects Fund as of December 31, 2014.

Sources: District No. 2's audited financial statements for the years ended December 31, 2011-14.

Budget Summary and Comparison

District No. 1. Set forth below are statements of District No. 1's 2015 budget and 2016 budget for each governmental fund as compared to District No. 1 2015 audited figures and year-to-date 2016 unaudited figures. The figures in the chart have been derived from District No. 1's 2015 budget, 2016 budget, audited financial statements for the year ended December 31, 2015, and unaudited interim financial statements and are set forth in accordance with generally accepted accounting principles.

Budget Summary and Comparison – District No. 1 General Fund

	2015			2016	
	Final Budget[2]	Actual	Variance	Budget	Year-to-Date Actual[1]
REVENUES					
Property taxes	$124,328	$124,328	$ --	$114,600	$114,600
Specific ownership tax	3,730	3,954	224	3,440	2,602
Intergovernmental revenue[3]	218,544	220,106	1,562	217,631	212,698
Investment income	150	1,244	1,094	150	1,256
Transit center revenue	1,771	181	(1,590)	2,011	261
Parking garage user fees	391,939	421,965	30,026	399,500	350,916
Other income	--	541	541	--	--
Conference center revenue	25,000	25,000	--	25,000	18,750
Total	765,462	797,319	31,857	762,332	701,083
EXPENDITURES					
Accounting	32,000	31,429	571	38,000	33,812
Administrative	25,000	25,000	--	25,750	18,750
Audit	9,400	9,300	100	9,700	9,700
County Treasurer's fees	6,216	6,216	--	5,730	5,730
Insurance and bonds	41,500	41,471	29	43,130	43,110
Legal services	52,500	52,314	186	35,000	58,959
Miscellaneous	--	--	--	--	76
Utilities	3,100	3,051	49	500	5,725
Bank and Merchant fees	1,150	547	603	1,150	707
Conference center operations	122,000	120,185	1,815	116,039	86,388
Parking garage operations	400,500	400,141	359	408,415	305,960
Transit center operations	180,500	180,068	432	189,349	143,651
Contingency	10,134	--	10,134	8,129	--
Total	884,000	869,722	14,278	880,892	712,568
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(118,538)	(72,403)	46,135	(118,560)	(11,485)
OTHER FINANCING SOURCES (USES)					
Developer advance	90,000	85,000	(5,000)	110,000	--
Total	90,000	85,000	(5,000)	110,000	--
NET CHANGE IN FUND BALANCE	(28,538)	12,597	41,135	(8,560)	(11,485)
FUND BALANCE – BEG. OF YEAR	28,641	8,891	(19,750)	31,549	21,488
FUND BALANCE - END OF YEAR	$103	$21,488	$21,385	$22,989	$10,003

(1) Unaudited financial statements for the period January 1, 2016, through September 30, 2016.
(2) Property tax and specific ownership tax revenues are generated from the District's imposition of an operations mill levy of 10 mills.
(3) Represents payments received by District No. 1 from District No. 2 for operations and maintenance services. See "THE DISTRICTS – Agreements of the Districts – Master District IGA."

Sources: The District's adopted budget for 2016, year-to-date unaudited financial statements and audited financial statements for the year ended December 31, 2015.

Budget Summary and Comparison – District No. 1 Capital Projects Fund

	2015			2016	
	Budget	Actual	Variance	Budget	Year-to-Date Actual(1)
REVENUES					
Interest income	$ 400	$ --	$(400)	$ --	$ --
Total	400	--	(400)	--	--
EXPENDITURES					
Legal services	33,330	--	33,330	--	--
Capital outlay	20,000	--	20,000	100,000	58,704
Contingency	50,000	--	50,000	17,620	--
Total	103,330	--	103,330	117,620	58,704
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(102,930)	--	102,930	(117,620)	(58,704)
OTHER FINANCING SOURCES (USES)					
Repay Developer advances	(90,000)	(85,000)	5,000	--	--
Total	(90,000)	(85,000)	5,000	--	--
NET CHANGE IN FUND BALANCE	(192,930)	(85,000)	107,930	(117,620)	(58,704)
FUND BALANCE – BEG. OF YEAR	192,930	202,620	9,690	117,620	117,620
FUND BALANCE - END OF YEAR	$ --	$117,620	$117,620	$ --	$58,916

(1) Unaudited financial statements for the period January 1, 2016, through September 30, 2016.

Sources: The District's adopted budget for 2016, year-to-date unaudited financial statements and audited financial statements for the year ended December 31, 2015.

District No. 2. Set forth below are statements of District No. 2's 2015 budget and 2016 budget for each governmental fund as compared to District No. 2 2015 audited figures and year-to-date 2016 unaudited figures. The figures in the chart have been derived from District No. 1's 2015 budget, 2016 budget, audited financial statements for the year ended December 31, 2015, and unaudited interim financial statements and are set forth in accordance with generally accepted accounting principles.

Budget Summary and Comparison – District No. 2 General Fund

	2015			2016	
	Final Budget[2]	Actual	Variance	Budget	Year-to-Date Actual[1]
REVENUES					
Property taxes	$223,115	$223,115	$ --	$221,970	$218,421
Specific ownership tax	10,808	7,808	(3,000)	6,660	5,039
Investment income	350	350	--	100	162
Total	234,273	231,273	(3,000)	228,730	223,622
EXPENDITURES					
County Treasurer's fees	11,167	11,167	--	11,099	10,924
Intergovernmental[3]	223,106	220,106	3,000	217,631	212,698
Total	234,273	231,273	3,000	228,730	223,622
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	--	--	--	--	--
FUND BALANCE – BEG. OF YEAR	--	--	--	--	--
FUND BALANCE - END OF YEAR	$ --	$ --	$ --	$ --	$ --

(1) Unaudited financial statements for the period January 1, 2016, through September 30, 2016.
(2) Figures for the original budget are provided in the audited financial statements attached as Appendix B.
(3) Represents payments received by District No. 1 from District No. 2 for operations and maintenance services. See "THE DISTRICTS – Agreements of the Districts – Master District IGA."

Sources: District No. 2's adopted budget for 2016, year-to-date unaudited financial statements and audited financial statements for the year ended December 31, 2015.

Budget Summary and Comparison – District No. 2 Debt Service Fund

	2015			2016	
	Budget	Actual	Variance	Budget	Year-to-Date Actual(1)
REVENUES					
Property taxes	$1,393,775	$1,393,663	$ (112)	$1,387,311	$1,364,342
Specific ownership tax	41,810	48,799	6,989	41,620	31,488
Capital facility fees	133,900	72,100	(61,800)	154,500	15,450
Investment income	1,200	4,774	3,574	1,800	6,372
Total	1,570,685	1,519,336	(51,349)	1,585,231	1,417,652
EXPENDITURES					
County Treasurer's fee	69,689	69,798	(109)	69,366	68,273
Bond principal	620,000	620,000	--	635,000	--
Bond interest	874,195	816,060	58,135	871,639	290,970
Paying agent/trustee fees	8,000	3,000	5,000	8,000	3,000
Total	1,571,884	1,508,858	63,026	1,584,005	362,243
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,199)	10,478	11,677	1,226	1,055,409
FUND BALANCE – BEG. OF YEAR	1,256,087	1,258,879	2,792	1,254,980	1,269,357
FUND BALANCE - END OF YEAR	$1,254,888	$1,269,357	$14,469	$1,256,206	$2,324,766

(1) Unaudited financial statements for the period January 1, 2016, through September 30, 2016.
(2) See "THE DISTRICTS – Agreements of the Districts – Omnibus Reimbursement Agreement."

Sources: District No. 2's adopted budget for 2016, year-to-date unaudited financial statements and audited financial statements for the year ended December 31, 2015.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Limited Offering Memorandum contains general information concerning historic economic and demographic conditions in and surrounding the Town and the County. It is intended only to provide prospective investors with general information regarding the Districts' community. The information was obtained from the sources indicated and is limited to the time periods indicated. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future.

Population and Age Distribution

The following table sets forth a history of the population of the Town of Snowmass Village, Pitkin County and the State. Between 2000 and 2010, the population of the Town of Snowmass Village Aspen increased 55.1%; Pitkin County increase 15.3% and the State increased 16.9%.

Population

	Town of Snowmass Village		Pitkin County		Colorado	
Year	Population	Percent Change	Population	Percent Change	Population	Percent Change
1980	999	--	10,338	67.1%%	2,889,735	30.8%
1990	1,449	45.0%	12,661	22.5	3,294,394	14.0
2000	1,822	25.7	14,872	17.5	4,301,261	30.6
2010	2,826	55.1	17,148	15.3	5,029,196	16.9
2011	2,820	(0.2)	17,125	(0.1)	5,120,686	1.8
2012	2,842	0.8	17,226	0.6	5,193,097	1.4
2013	2,868	0.9	17,388	0.9	5,272,677	1.5
2014	2,862	(0.2)	17,622	1.3	5,356,626	1.6
2015	2,863	0.0	17,845	1.3	5,456,584	1.9

Sources: United States Department of Commerce, Bureau of the Census (1970-2010), and Colorado State Demography Office (2011-2015 estimates which are subject to periodic revision).

Age Distribution. The following table sets forth a projected comparative age distribution profile for the Town of Snowmass Village, Pitkin County, the State and the United States as of January 1, 2016.

Age Distribution

Age	Town of Snowmass Village	Pitkin County	Colorado	United States
0-17	15.0%	16.0%	23.3%	23.0%
18-24	6.4	6.5	9.6	9.8
25-34	15.3	14.0	14.3	13.4
35-44	14.1	14.1	13.4	12.6
45-54	13.7	15.5	13.2	13.3
55-64	17.8	17.3	12.8	12.8
65-74	12.5	11.6	8.2	8.8
75 and Older	5.2	5.0	5.2	6.3

Source: © 2016 The Nielsen Company.

Income

The following table sets forth a five year history of the annual per capita personal income levels for the residents of Pitkin County, the State and the nation.

Annual Per Capita Personal Income

Year(1)	Pitkin County	Colorado	United States
2010	$ 98,581	$39,929	$40,277
2011	105,113	42,946	42,453
2012	123,034	45,073	44,267
2013	109,132	46,792	44,462
2014	112,796	49,768	46,414
2015	n/a	50,899	48,112

(1) County figures posted November 2015; state and national figures posted September 2016. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

The following two tables reflect the Median Household Effective Buying Income ("EBI"), and also the percentage of households by EBI groups. EBI is defined as "money income" (defined below) less personal tax and nontax payments. "Money income" is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as "disposable" or "after-tax" income.

Median Household Effective Buying Income Estimates[1]

Year	Town of Snowmass Village	Pitkin County	Colorado	United States
2012	$54,635	$54,137	$43,515	$41,253
2013	46,075	49,047	43,718	41,358
2014	47,599	52,997	47,469	43,715
2015	63,045	58,964	49,949	45,448
2016	64,607	62,493	52,345	46,738

(1) The difference between consecutive years is not an estimate of change from one year to the next; separate combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Source: © The Nielsen Company, *SiteReports*, 2012-2016.

Percent of Households by Effective Buying Income Groups – 2016 Estimates

Effective Buying Income Group	Town of Snowmass Village	Pitkin County	Colorado	United States
Less than $24,999	10.8%	15.2%	20.4%	24.8%
$25,000 - 49,999	28.5	24.7	27.7	28.8
$50,000 - 74,999	18.3	20.3	20.4	19.1
$75,000 - 99,999	13.1	14.6	13.5	12.2
$100,000 - 124,999	6.0	8.3	6.9	5.8
$125,000 - 149,999	6.4	5.6	4.7	3.7
$150,000 or More	16.9	11.3	6.4	5.6

Source: © 2016 The Nielsen Company.

Employment

The following table sets forth information on employment within Pitkin County, the State and the nation for the time period indicated.

Labor Force and Employment

	Pitkin County[1]		Colorado[1]		United States
Year	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2011	10,926	7.8%	2,736,079	8.4%	8.9%
2012	10,918	7.2	2,759,437	7.9	8.1
2013	10,833	6.4	2,780,536	6.8	7.4
2014	11,077	4.9	2,815,200	5.0	6.2
2015	10,799	3.8	2,828,529	3.9	5.3
Month of August					
2015	10,740	2.8%	2,837,374	3.5%	5.1%
2016[2]	10,933	2.7	2,903,499	3.3	4.9

(1) Figures are subject to change. Figures for Pitkin County and the State are not seasonally adjusted.
(2) Preliminary. Due to the seasonal nature of much of the employment in the County, the monthly estimates are not necessarily representative of overall employment in the County.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Colorado Areas Labor Force Data and U.S. Department of Labor, Bureau of Statistics.

The following table sets forth the number of individuals employed within selected Pitkin County industries which are covered by unemployment insurance. In 2015, the largest employment sector in Pitkin County was accommodation and food services (comprising approximately 26.6% of the county's work force), followed, in order, by government; arts, entertainment and recreation; retail trade; and real estate, rental and leasing. For the twelve-month period ended December 31, 2015, total average employment in Pitkin County decreased by (3.7)% as compared to the same twelve-month period ending December 31, 2014, and total average weekly wages increased 9.1% during the same time period.

Average Number of Employees Within Selected Industries - Pitkin County

Industry	2011	2012	2013	2014	2015	2016(1)
Agriculture, Forestry, Fishing, Hunting	60	59	57	70	91	89
Mining	n/a(2)	n/a(2)	n/a(2)	n/a(2)	n/a(2)	n/a(2)
Utilities	10	n/a(2)	n/a(2)	n/a(2)	n/a(2)	n/a(2)
Construction	664	633	608	657	737	703
Manufacturing	89	80	88	109	112	113
Wholesale Trade	91	98	89	87	70	69
Retail Trade	1,197	1,267	1,266	1,319	1,381	1,406
Transportation & Warehousing	158	159	163	176	182	243
Information	179	161	157	160	170	170
Finance & Insurance	252	250	243	238	227	232
Real Estate, Rental & Leasing	1,205	1,199	1,277	1,275	1,297	1,481
Professional & Technical Services	706	707	710	687	721	711
Management of Companies/Enterprises	36	40	47	49	61	66
Administrative & Waste Services	1,332	1,478	1,602	1,806	924(3)	819
Educational Services	206	203	211	231	241	205
Health Care & Social Assistance	398	414	357	394	398	406
Arts, Entertainment & Recreation	1,922	1,911	1,973	2,069	2,141	n/a(2)
Accommodation & Food Services	3,894	3,945	4,135	4,307	4,205	4,984
Other Services	676	715	684	699	721	757
Non-classifiable	n/a(2)	n/a(2)	n/a(2)	n/a(2)	n/a(2)	n/a(2)
Government	1,974	1,994	2,022	2,099	2,142	2,172
Total (4)	15,061	15,329	15,707	16,437	15,826	18,160

(1) Averaged figures for 1st quarter 2016.
(2) Due to confidentiality, figures were not released.
(3) Colorado Department of Labor and Employment sets forth that due to an annual re-file survey for the Quarterly Census of Employment and Wages program, approximately 1000 employed persons reported were reclassified to other counties resulting in a lower number of employees reported in the Administrative & Waste Services classification for 2015.
(4) Figures may not equal the total figure due to the rounding of averages or the inclusion in sums of employees that are not disclosed in individual classifications.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table sets forth the selected major employers located in Pitkin County. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers.

Selected Major Employers in Pitkin County

Employer	Product or Service	Estimated Numbers of Employees
Aspen Skiing Co.[1]	Ski resort	1,000 - 4,999
Pitkin County/City of Aspen	Local government	500 - 699
Aspen Valley Hospital	Hospital	250 - 499
St. Regis Aspen Resort	Hotel	250 - 499
The Westin Snowmass Resort	Hotel	250 - 499
Aspen School District No. 1	Public education	100 - 249
Viceroy Snowmass	Hotel	100 - 249
Hotel Jerome	Hotel	100 - 249
Roaring Fork Transit Authority	Passenger transport	100 - 249
Aspen Snowmass Sotheby's Int'l Realty	Real estate/rentals	100 - 249

(1) Aspen Skiing Company operates four ski facilities: Snowmass, Aspen Mountain, Aspen Highlands, and Buttermilk, as well as The Residences at Snowmass Club and The Little Nell Hotel. Aspen Skiing Company naturally has a higher number of winter employees and fewer summer employees for all its locations.

Source: State of Colorado Department of Labor and Employment, Labor Market Facts; Pitkin County/City of Aspen; and Aspen School District.

Retail Sales

The following table sets forth annual retail sales figures for the Town of Snowmass Village, Pitkin County and the State.

Retail Sales
(in thousands)

Year	Town of Snowmass Village	Percent Change	Pitkin County	Percent Change	Colorado	Percent Change
2011	$133,819	--	$1,044,825	--	$154,697,943	--
2012	129,025	(3.6)%	1,104,452	5.7%	164,387,648	6.3%
2013	163,804	27.0	1,163,902	5.4	172,784,033	5.1
2014	171,503	4.7	1,280,784	10.0	182,709,978	5.7
2015[1]	185,578	8.2	1,378,441	7.6	182,845,695	0.1

(1) Figures are preliminary and subject to change.

Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2011-2015.

Building Permits

The following two tables set forth histories of building permits issued in the Town of Snowmass Village and in Pitkin County for the time periods indicated.

Building Permit Issuances in the Town of Snowmass Village[1]

Year	Residential Permits	Commercial Permits	Total Permits Issued	Valuation
2011	25	167	192	$26,539,051
2012	77	23	100	45,848,974
2013	96	18	114	24,080,675
2014	113	23	136	64,399,027
2015	102	15	117	38,451,849

(1) Includes permits issued for new construction, additions, and remodels.

Source: Town of Snowmass Village, Community Development.

Building Permits Issued in Pitkin County

Year	Permits	Value (in millions)
2011	290	$246.2
2012	378	268.9
2013	346	342.5
2014	392	571.2
2015	488	545.0

Source: Pitkin County Comprehensive Annual Financial Report, Year Ended December 31, 2015.

Foreclosure Activity

The following table sets forth data on the number of foreclosures filed for the time period indicated. Such information does not take into account the number of foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosures – Pitkin County

Year	Number of Foreclosures Filed	Percent Change
2011	115	--
2012	113	(1.7)%
2013	56	(50.4)
2014	29	(48.2)
2015	23	(20.7)
2016[1]	15	--

(1) New foreclosure filings as of September 30, 2016.

Sources: Colorado Division of Housing (2011-2015) and Pitkin County Public Trustee Office (2016).

Recreation and Tourism

Year-round tourism and skiing-related businesses account for a significant portion of the employment and earned income of area residents.

The Ski Industry in the State. The 2015-16 ski season at Colorado's 25 resorts set an all-time high record for the number of skier visits - exceeding 13 million visits for the first time - according to Colorado Ski Country USA, a ski industry group. A skier visit represents one person visiting a ski area for all or any part of a day or night for the purpose of skiing or snowboarding. Colorado claimed 24% of the total national skier market of the 2015-16 season. An economic impact study commissioned and released in December 2015 by Colorado Ski Country USA and Vail Resorts, Inc. found that Colorado's ski industry generates a $4.8 billion annual economic impact, comprising a significant portion of the state's tourism and recreation sectors and supporting a sizeable share of the employment and tax base in Colorado's mountainous regions. Over the last several years, Colorado's ski towns have seen record sales tax revenues in both winter and summer. Out-of-state guests spent more than $300 per skier visit and booked more than 8.4 million nights in ski town lodges and hotels in 2013-14. In addition, the 2015-2016 season sales tax revenues reached highest-ever levels for nearly every ski community in the state. Ski towns often budget increased sales tax revenue to support affordable housing, transportation for workers pushed beyond the boundaries of town, and increased community amenities and services. According to the previously referenced study conducted by RRC Associates, skiing and snowboarding in Colorado support more than 46,000 year-round equivalent jobs in the amusement and recreation, lodging, food services, retail, and other sectors. These jobs generate an estimated $1.9 billion per year in labor income.

The Ski Industry in the Aspen Area. Aspen/Snowmass is comprised of four mountains: Snowmass, Aspen Mountain, Aspen Highlands, and Buttermilk and is owned by Aspen Skiing Company. All of the resort mountains are considered Destination Resorts, indicating they have a resort bed base and are more than a two-hour drive from the City of Denver. Aspen Skiing Company has invested approximately $68 million over the past five years on on-mountain improvements and hospitality upgrades, including new terrain, new restaurants, new children's centers and more.

Gwyn's High Alpine Restaurant is undergoing extensive remodeling to expand the building's capacity from 350 to 800 for the 2016-2017 season. The new High Alpine lift at Snowmass was completed in December 2015 and shortens the 11 minute ride to 6 minutes. In 2015, The Aspen Mountain ticket office/day locker space and the Aspen Highland's Cloud Nine Alpine Bistro were remodeled. In 2014, a state-of-the-art children's center at the base of Buttermilk opened. The Hideout facility offers kids programming, mixing indoor play with ski instruction. In 2012, Snowmass opened 230 acres of new terrain on Burnt Mountain featuring rolling, low-angle glades; and opened the new Elk Camp Restaurant for on-mountain dining. Buttermilk has been home to the ESPN's Winter X Games since 2002, and has reached an agreement to keep the Winter X Games through 2019. Aspen Mountain has been awarded the 2017 Audi FIS Alpine World Cup Finals by The International Ski Federation. This marks the first time the event has been held in the U.S. in 20 years with men's and women's events in downhill, super G, giant slalom and slalom.

Snowmass Ski Resort opened in 1967 and is owned and operated by Aspen Skiing Company. Snowmass contains approximately 3,332 skiable acres, making it the largest of the four Aspen-are ski mountains and the third largest ski resort in Colorado. Snowmass contains 20 lifts and 94 runs, and the most vertical feet of any ski resort in the United States. The base elevation is 8,104 feet and the top elevation is 12,510 feet. Aspen Skiing Company does not release skier visit data for each of its four resorts separately, but it does provide such data for all four resorts combined. The skier visits for the last five years are as follows:

Historical Skier Visit Totals for Aspen Snowmass[(1)]

Year	Skier Visits[(2)]	Percent Change
2011-2012	1,336,096	--
2012-2013	1,356,108	1.5%
2013-2014	1,485,237	9.5
2014-2015	1,453,431	(2.1)
2015-2016	1,521,694	4.7

(1) Aspen/Snowmass is comprised of four mountains: Snowmass, Aspen Mountain, Aspen Highlands, and Buttermilk.
(2) A skier visit represents one person visiting a ski area for all or any part of a day or night for the purpose of skiing or snowboarding.

Source: Aspen Skiing Company.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporations' adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the Owners of the Bonds. The extent of these other tax consequences will depend upon such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State or any other state or jurisdiction.

Original Issue Premium. The Bonds maturing on December 1, 2046, which have an original yield below their respective interest rates, as shown on the inside cover of this Limited Offering Memorandum (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Internal Revenue Service Audit Program and Pronouncements Concerning Political Subdivision Status. The Internal Revenue Service has announced a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Internal Revenue Service agrees (a) with the determination of bond counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the District is in or remains in compliance with Internal Revenue Service regulations and rulings applicable to governmental bonds such as the Bonds.

One aspect of such an audit program is to determine whether or not the issuer of the bonds is a political subdivision of a state. For example, in examinations in the State of Florida involving the Village Center Community Development District (the "Village District"), the Internal Revenue Service in 2013 took the position in a technical advice memorandum (the "Village TAM") that the Village District was not a division of a state or local government. Any bonds issued by the Village District could not be tax-exempt for that reason. The Internal Revenue Service position was based on the fact that the Village District was organized and operated in a manner intended to ensure control of the Village District's board of directors by the private developer of the community served by the Village District, rather than an existing governmental body or an electorate made up of community residents or property owners. The Internal Revenue Service stated that the Village TAM would not be applied retroactively to the Village District bonds issued prior to the date of the Village TAM. Determinations by the Internal Revenue Service such as the Village TAM are technically limited to and are applicable only to the issuer to whom the memorandum is addressed. In July 2016, the Internal Revenue Service closed the examinations with no change to the tax status of the bonds issued by the Village District, but the Village TAM has not been retracted.

On February 22, 2016, the United States Department of the Treasury released proposed regulations (as corrected on March 9, 2016, the "Proposed Regulations") that provide guidance regarding the definition of political subdivision for purposes of tax-exempt bonds. Under certain transition rules that apply to obligations issued not later than 90 days after the publication of final regulations in the Federal Register, the proposed definition will not apply to issuers of bonds, such as the District, for purposes of whether bonds are issued by a "State or political subdivision."

Bond Counsel has taken the Village TAM and the Proposed Regulations into consideration prior to reaching a conclusion that interest on the Bonds is excludible from gross income for federal income tax purposes. Opinions of Bond Counsel are not a guaranty of a particular outcome in the event of an audit of the Bonds, but are an expression of Bond Counsel's legal judgment with respect to the matters addressed therein as of the date the Bonds are issued. No assurance can be given that the Internal Revenue Service will not assert legal positions contrary to those taken by Bond Counsel if an audit of the Bonds is commenced at a later date. See "RISK FACTORS – Risk of Internal Revenue Service Audit."

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any owner of the Bonds who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax exempt obligations.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LEGAL MATTERS

Litigation

In connection with the issuance of the Bonds, the Districts will provide certificates stating that no litigation of any nature is now pending or threatened, seeking to restrain or to enjoin the execution, issuance, or delivery of the Bonds, the Indenture, the Capital Pledge Agreement or the Bond Resolution, or in any manner questioning the authority or proceedings for the District No. 1 Elections or the District No. 2 Elections, or the issuance of the Bonds, or the execution and delivery of the Indenture or the Capital Pledge Agreement, or affecting the validity or enforceability of the District No. 1 Elections or the District No. 2 Elections, the Bonds, the Indenture, the Capital Pledge Agreement or the Bond Resolution, the pledge or collection of Pledged Revenue thereunder; and no litigation of any nature is now pending or, threatened, which, if determined adversely to the Districts, would have a material adverse effect upon the Pledged Revenue or the Districts' ability to comply with their obligations under (as applicable for each District) the Bond Resolution, the Indenture, the Capital Pledge Agreement or the Bonds, or to consummate the transactions contemplated thereby. The Districts' general counsel is expected to render an opinion stating that, to the best of its actual knowledge, there is no pending action, suit, proceeding, inquiry or investigation in which either District is a party. For a description of a recent communication received by a taxpayer regarding the members of the Boards of the Districts and certain actions taken by the Boards, see "THE DISTRICTS – Governing Board – Recent Property Owner Challenge to Board Composition."

Recent Colorado Court of Appeals Case and Legislation

On April 21, 2016, the Colorado Court of Appeals issued an opinion in the case *Landmark Towers Association, Inc. v. UMB Bank, n.a.*, 2016 WL 1594047 (Colo. App. Apr. 21, 2016) (referred to herein as "Marin"). One of the primary issues involved in Marin is the eligibility of persons holding contracts to purchase property within a special district to vote in special district elections, including elections held for purposes of TABOR. The Marin litigation was filed by homeowners seeking to recover taxes paid to the Marin Metropolitan District (the "Marin District") and to enjoin the future levying of taxes on the basis that the persons who approved the Marin District's debt and taxes were not eligible electors. The Court determined that those persons' contracts to purchase property were invalid based upon certain factors. The

Court also held that prospective homeowners who had entered into contracts to purchase condominiums in the Marin District were eligible electors. As a result, the Court held that the Marin District's TABOR election was conducted illegally and the taxes authorized by such election to pay the Marin District's bonds were levied illegally. The defendants have appealed the Marin decision to the Colorado Supreme Court. On November 7, 2016, the Colorado Supreme Court granted the defendants' petition for writ of certiorari and has agreed to hear the appeal of the Marin decision.

In response to the Marin decision, the Colorado General Assembly unanimously passed Senate Bill 16-211 ("SB 211"), which was signed into law by the Governor on May 18, 2016. SB 211 states that no special district election conducted prior to April 21, 2016, may be contested on the grounds that any person who voted at such election was not an eligible elector, unless such a contest was initiated prior to April 21, 2016. It also generally validates the qualifications of all electors who voted at such election and all actions undertaken by any board member who may not have been qualified to serve on the board when appointed or elected on or before such election. SB 211 also states that the foregoing bar to election contests does not apply to challenges of elections held after January 1, 2012 on the grounds that federal or state constitutional rights of the eligible electors were violated nor to any challenges initiated prior to April 21, 2016, with respect to elections held before January 1, 2012. SB 211 has not been applied or interpreted by any court and there is no guarantee that SB 211 will effectively bar state or federal constitutional claims filed at any given time.

Bond Counsel has concluded, and will provide an opinion to the effect that, the Bonds constitute valid and binding limited tax obligations of the District payable from amounts collected from the imposition by the District of taxes and other revenues pledged in the Indenture, and that the Capital Pledge Agreement constitutes a valid and binding obligation of District No. 1 payable from the imposition by District No. 1 of taxes and other revenues pledged in the Capital Pledge Agreement.

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the Districts, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000; (b) for an injury to two or more persons in any single occurrence, the sum of $990,000; except in such instance, no person may recover in excess of $350,000. These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the first such increase to occur in 2017. Each Taxing District may increase any maximum amount that may be recovered from such Taxing District for certain types of injuries. However, the Districts may not be held liable either directly or by indemnification for punitive or exemplary damages unless such Taxing District voluntarily pays such damages in accordance with State law. The Districts have not acted to increase the damage limitations in the Immunity Act.

The Districts may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and they may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the Districts may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings; Other Legal Relationships

Legal matters relating to the issuance of the Bonds, as well as the treatment of interest on the Bonds for purposes of federal and State income taxation, are subject to the approving legal opinions of Kutak Rock LLP, Denver, Colorado, as Bond Counsel. Such opinion, the form of which is attached hereto as Appendix I, will be dated as of and delivered at closing. Bond Counsel will also provide an opinion regarding the validity and enforceability of the Capital Pledge Agreement. Certain legal matters pertaining to the organization and operation of the Districts and other matters will be passed upon by its general counsel, White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado. In addition, the Developer is represented by Davis Graham & Stubbs LLP, Denver, Colorado.

The District expects to pay Bond Counsel's and Underwriter's counsel's fees from proceeds of the Bonds; however, SAC has agreed to pay the legal fees of Bond Counsel and Underwriter's Counsel if the Bonds are not issued as expected. In addition to serving as Underwriter's counsel, Sherman & Howard L.L.C. also represents: (a) SAC and The Related Companies in connection with certain real estate matters regarding Base Village, but not in connection with the issuance of the Bonds; (b) East West and certain affiliates of East West in connection with projects other than Base Village and in connection with East West's (or its affiliates') status and activities as a member of the Developer; and (c) Aspen Skiing Company, but not in connection with the issuance of the Bonds or Base Village.

Certain Constitutional Limitations

In 1992, the voters of Colorado approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or "TABOR"). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the Districts ("local governments"), but does not apply to "enterprises," defined as government owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the Districts, including their ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

<u>Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing</u>. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service, however, including the debt service on the Bonds, can be paid without regard to any spending limits, assuming revenues are available to do so. TABOR's tax increase limitations could cause the Districts' property tax revenues to decrease if the assessed valuation of taxable real property in the applicable Taxing District should decline, absent voter approval to increase the applicable Taxing District's property tax mill levy as explained above.

At the District No. 1 Elections and the District No. 2 Elections, the Districts' voters approved election questions which authorize each Taxing District, respectively, to retain excess revenues which may otherwise be required by TABOR to be refunded to taxpayers. As required by TABOR, the issuance of the Bonds the obligations of the Capital Finance Agreement was authorized at the District No. 1 Elections and the District No. 2 Elections.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending, excluding bonded debt service. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The Districts have budgeted emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the Districts are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

NO RATING

The District has not submitted, and does not intend to submit, an application to any securities rating agency with respect to the Bonds.

UNDERWRITING

D.A. Davidson & Co., Denver, Colorado (the "Underwriter") has agreed to purchase the Bonds from the District under a Bond Purchase Agreement at a purchase price equal to $30,695,367.25 (which is equal to the par amount of the Bonds, plus premium of $60,567.25, less Underwriter's discount of $625,200.00). The Underwriter is committed to take and pay for all of the Bonds if any are taken.

INDEPENDENT AUDITORS

The financial statements of the Districts as of December 31, 2015, and for the year then ended, included herein as Appendices A and B, respectively, have been audited by Wagner, Barnes & Griggs, P.C., Certified Public Accountants, Lakewood, Colorado, as stated in its reports appearing herein.

LIMITED OFFERING MEMORANDUM CERTIFICATION

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the District. This Limited Offering Memorandum is hereby duly approved by the District as of the date on the cover page hereof.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

By: /s/ Matt Foley
President

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF DISTRICT NO. 1
FOR THE YEAR ENDED DECEMBER 31, 2015

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
Pitkin County, Colorado

FINANCIAL STATEMENTS
December 31, 2015

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WAGNER BARNES & GRIGGS, PC
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Base Village Metropolitan District No. 1
Pitkin County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Base Village Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Base Village Metropolitan District No. 1, as of December 31, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Wagner Barnes & Griggs, PC

12136 W. Bayaud Avenue., Suite 300 · Lakewood, Colorado 80228
303.202.1800 Office · 303.237.0155 Fax · www.wbcpaco.com

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wagner Barnes & Griggs, PC

Lakewood, Colorado
July 29, 2016

BASIC FINANCIAL STATEMENTS

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities
ASSETS	
Cash and investments	$ 129,296
Cash and investments - Restricted	141,620
Accounts receivable	4,164
Receivable from County Treasurer	385
Due from other governments	690
Property taxes receivable	114,600
Capital assets, net	23,062,189
Total assets	23,452,944
LIABILITIES	
Accounts payable	118,240
Due to other governments	18,807
Noncurrent liabilities	
Due in more than one year	8,666,541
Total liabilities	8,803,588
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	114,600
Total deferred inflows of resources	114,600
NET POSITION	
Net investment in capital assets	18,486,209
Restricted for:	
Emergency reserves	24,000
Capital projects	117,620
Unrestricted	(4,093,073)
Total net position	$ 14,534,756

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:					
Government activities:					
General government	$ 1,454,556	$ 447,146	$ 220,106	$ -	$ (787,304)
Interest and related costs on long-term debt	420,698	-	-	-	(420,698)
	$ 1,875,254	$ 447,146	$ 220,106	$ -	(1,208,002)
General revenues:					
Property taxes					124,328
Specific ownership taxes					3,954
Other income					541
Investment income					1,244
Total general revenues					130,067
Change in net position					(1,077,935)
Net position - Beginning					15,612,691
Net position - Ending					$ 14,534,756

These financial statements should be read in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and investments	$ 129,296	$ -	$ 129,296
Cash and investments - Restricted	24,000	117,620	141,620
Accounts receivable	4,164	-	4,164
Receivable from county treasurer	385	-	385
Due from other governments	690	-	690
Property taxes receivable	114,600	-	114,600
TOTAL ASSETS	$ 273,135	$ 117,620	$ 390,755
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 118,240	$ -	$ 118,240
Due to other governments	18,807	-	18,807
Total liabilities	137,047	-	137,047
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	114,600	-	114,600
Total deferred inflows of resources	114,600	-	114,600
FUND BALANCES			
Restricted for emergency reserves (TABOR)	24,000	-	24,000
Assigned to:			
Capital projects	-	117,620	117,620
Unassigned	(2,512)	-	(2,512)
Total fund balances	21,488	117,620	139,108
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 273,135	$ 117,620	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	23,062,189
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer advance payable	(5,258,730)
Accrued interest on Developer advance	(3,407,811)
Net position of governmental activities	$ 14,534,756

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property taxes	$ 124,328	$ -	$ 124,328
Specific ownership tax	3,954	-	3,954
Intergovernmental revenue	220,106	-	220,106
Investment income	1,244	-	1,244
Other income	541	-	541
Transit center revenue	181	-	181
Parking garage user fees	421,965	-	421,965
Conference center revenue	25,000	-	25,000
Total revenues	797,319	-	797,319
EXPENDITURES			
Current			
Accounting	31,429	-	31,429
Administrative	25,000	-	25,000
Audit	9,300	-	9,300
County Treasurer's fees	6,216	-	6,216
Insurance and bonds	41,471	-	41,471
Legal services	52,314	-	52,314
Utilities	3,051	-	3,051
Bank and Merchant fees	547	-	547
Conference center operations	120,185	-	120,185
Parking garage operations	400,141	-	400,141
Transit center operations	180,068	-	180,068
Total expenditures	869,722	-	869,722
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(72,403)	-	(72,403)
OTHER FINANCING SOURCES (USES)			
Developer advance (repayment)	85,000	(85,000)	-
Total other financing sources (uses)	85,000	(85,000)	-
NET CHANGE IN FUND BALANCE	12,597	(85,000)	(72,403)
FUND BALANCES - BEGINNING OF YEAR	8,891	202,620	211,511
FUND BALANCES - END OF YEAR	$ 21,488	$ 117,620	$ 139,108

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	$ (72,403)
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.	
Depreciation	(584,834)
Long-term debt (e.g. Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:	
Developer operations advance	85,000
Developer advance repayment	(85,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest on Developer advance payable	(420,698)
Changes in net position of governmental activities	$ (1,077,935)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property taxes	$ 124,328	$ 124,328	$ 124,328	$ -
Specific ownership tax	3,730	3,730	3,954	224
Intergovernmental revenue	218,544	218,544	220,106	1,562
Investment income	150	150	1,244	1,094
Transit center revenue	1,771	1,771	181	(1,590)
Parking garage user fees	391,939	391,939	421,965	30,026
Other income	-	-	541	541
Conference center revenue	25,000	25,000	25,000	-
Total revenues	765,462	765,462	797,319	31,857
EXPENDITURES				
Current				
Accounting	38,000	32,000	31,429	571
Administrative	25,000	25,000	25,000	-
Audit	9,500	9,400	9,300	100
County Treasurer's fees	6,216	6,216	6,216	-
Insurance and bonds	38,500	41,500	41,471	29
Legal services	35,000	52,500	52,314	186
Utilities	500	3,100	3,051	49
Bank and Merchant fees	1,150	1,150	547	603
Conference center operations	120,143	122,000	120,185	1,815
Parking garage operations	398,905	400,500	400,141	359
Transit center operations	171,613	180,500	180,068	432
Contingency	10,473	10,134	-	10,134
Total expenditures	855,000	884,000	869,722	14,278
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(89,538)	(118,538)	(72,403)	46,135
OTHER FINANCING SOURCES (USES)				
Developer advance	90,000	90,000	85,000	(5,000)
Total other financing sources (uses)	90,000	90,000	85,000	(5,000)
NET CHANGE IN FUND BALANCE	462	(28,538)	12,597	41,135
FUND BALANCES - BEGINNING OF YEAR	28,641	28,641	8,891	(19,750)
FUND BALANCES - END OF YEAR	$ 29,103	$ 103	$ 21,488	$ 21,385

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 - DEFINITION OF REPORTING ENTITY

Base Village Metropolitan District No. 1 (the District) was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito and pest control. The District's service area is located entirely within the Town of Snowmass Village (the Town), in Pitkin County, Colorado. Under the Consolidated Service Plan (Amended and Restated Consolidated Service Plan approved October 17, 2006), the District is the Service District and is related to Base Village Metropolitan District No. 2 (Base Village No. 2), which serves as the Financing District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Service District, together with the Financing District, provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and contracts for all of its management and professional services.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of Developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2015.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. roads, bridges, sidewalks, facilities and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets of the District's net position.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Equipment	5 years
Conference center	39 years
Parking garage	50 years
Main Street Bridge	50 years
Skier funnel bridge	50 years
Transit center	39 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	$	129,296
Cash and investments – Restricted		141,620
	$	270,916

Cash and investments as of December 31, 2015, consist of the following:		
Cash on hand	$	1,500
Deposits with financial institutions		94,618
Investments		174,798
Total cash and investments	$	270,916

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the District’s cash deposits had a carrying balance of $94,618 and a bank balance of $94,618.

Investments

The District follows state statutes regarding investments, and as such, has not adopted a formal policy.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to three or five years or less (depending upon the type of investment) unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

. Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
. General obligation and revenue bonds of U.S. local government entities
. Certain certificates of participation
. Certain securities lending agreements
. Bankers' acceptances of certain banks
. Commercial paper
. Written repurchase and reverse repurchase agreements collateralized by certain authorized securities
. Certain money market funds
. Guaranteed investment contracts
* Local government investment pools

As of December 31, 2015, the District had the following investments:

Investment	**Maturity**	**Fair Value**
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	$ 174,798

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, certain money market funds and highest rated commercial paper, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAm by Standard & Poor's.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2015, follows:

	Balance at December 31, 2014	Increases	Decreases	Balance at December 31, 2015
Governmental Activities:				
Capital assets, being depreciated:				
Conference center	$ 3,668,310	$ -	$ -	$ 3,668,310
Parking garage	14,273,432	-	-	14,273,432
Main Street bridge	3,279,140	-	-	3,279,140
Skier funnel bridge	1,750,157	-	-	1,750,157
Transit center	3,913,294	-	-	3,913,294
Total capital assets, being depreciated	26,884,333	-	-	26,884,333
Less accumulated depreciation for:				
Conference center	(555,670)	(95,434)	-	(651,104)
Parking garage	(1,708,210)	(288,473)	-	(1,996,683)
Skier funnel bridge	(227,520)	(35,003)	-	(262,523)
Main Street Bridge	(295,123)	(65,583)	-	(360,706)
Transit center	(450,787)	(100,341)	-	(551,128)
Total accumulated depreciation	(3,237,310)	(584,834)	-	(3,822,144)
Governmental activities capital assets, net	$ 23,647,023	$ (584,834)	$ -	$ 23,062,189

All capital assets were acquired or reimbursed by the District and a portion of the assets were conveyed to other governmental entities. Costs are recorded as construction in progress until placed in service by the District or conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2015:

	Balance at December 31, 2014	Net Issues	Retirements	Balance at December 31, 2015	Due Within One Year
Developer advances:					
Advance and Reimbursement Agreement	$ 691,288	$ 85,000	$ -	$ 776,288	$ -
Infrastructure Acquisition and Reimbursement Agreement	4,567,442	-	85,000	4,482,442	-
Accrued interest	2,987,113	420,698	-	3,407,811	-
	$ 8,245,843	$ 505,698	$ 85,000	$ 8,666,541	$ -

Advance and Reimbursement Agreement

The District entered into an advance and reimbursement agreement dated July 27, 2005, which was amended on April 3, 2008 (First Amendment), and June 25, 2008 (Second Amendment), with Intrawest/Brush Creek Development Company, LLC (Intrawest), whereby Intrawest agreed to advance funds for costs associated with the organization and development of the District and for the services and improvements related to the construction of capital infrastructure for which the District is authorized. The District was to reimburse Intrawest, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. Reimbursement was to include interest at the rate of 8% per annum. The debt is subordinate to any District bonded indebtedness.

On March 1, 2007, Intrawest assigned the Developer advances to the new Developer, Base Village Owner LLC. Under this assignment, all prior amounts due to Intrawest will be payable to Base Village Owner LLC. On September 28, 2012, the Developer advances were further assigned to Snowmass Acquisition Company LLC (SAC, see Note 7).

As of December 31, 2015, outstanding advances under the Agreement totaled $776,288 for operations and accrued interest totaled $162,646.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

The District entered into an Infrastructure Acquisition and Reimbursement Agreement (IARA) dated October 19, 2007, with the new Developer, Base Village Owner LLC. On September 28, 2012, the obligations were assigned to Snowmass Acquisition Company LLC (SAC, see Note 7). Base Village No. 2 is party to the IARA for purposes of providing funding for payment of obligations to the Developer. Per the IARA, the Developer will construct certain Public Infrastructure improvements and will be reimbursed by the District for those improvements that are determined to be “District Eligible Costs”. District Eligible Costs shall mean any and all costs that may be lawfully funded by the Districts under the Special District Act and the Districts’ Service Plan. The District will accept District Eligible Costs after cost and engineer certifications are issued. With respect to District Eligible Costs for which the Districts become obligated to reimburse the Developer but remained unpaid, interest will accrue at 8% per annum from the date of acceptance.

As of December 31, 2015, outstanding obligations totaled $4,482,442 and accrued interest totaled $3,245,165.

Debt Authorization

On November 7, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $112,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2015, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorization Used	Remaining at December 31, 2015
Streets	$ 20,000,000	$ -	$ 20,000,000
Public transportation	6,000,000	-	6,000,000
Fire protection	2,000,000	-	2,000,000
Traffic and safety	28,000,000	-	28,000,000
Parks and recreation	28,000,000	-	28,000,000
Mosquito control	28,000,000	-	28,000,000
	$ 112,000,000	$ -	$ 112,000,000

Pursuant to the Amended and Restated Consolidated Service Plan, the Districts are permitted to issue bond indebtedness of up to $48,700,000 in par amount, excluding underwriter discount, credit enhancement costs, other costs of issuance, and payments made by guarantors under any pledge agreement or for direct bond payments. As of December 31, 2012, Base Village No. 2 has issued $47,750,000 (inclusive of $4,179,943 of costs excludable as described above) of General Obligation Bonds and $2,200,000 in the form of a Developer Subordinate Note.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

During 2013, Base Village No. 2 refunded its Series 2008A bonds, repaid its Developer Subordinate Note, and reduced its 2011 Guarantor Bond obligation through the issuance of the Series 2013A Senior Limited Tax Refunding Loan and the Series 2013B Subordinate Limited Tax Refunding Bonds. No additional authorization was used as Base Village No. 2 issued less debt than was previously issued with the 2008 obligations and Subordinate Note.

NOTE 6 - NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, note, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2015, the District had net investment in capital assets in the amount of $18,486,209.

Restricted assets include net position that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2015, the District had restricted net position of $24,000 for Emergency Reserves and $117,620 for Capital Projects.

The District's unrestricted net position as of December 31, 2015, is $(4,093,073). This deficit amount was a result of the District being responsible for the repayment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 - RELATED PARTIES

Destination Snowmass Services, Inc., served as Receiver with respect to the holdings of Base Village Owner LLC (BVO) within the project served by the District, in connection with a foreclosure action instituted by certain lenders of Base Village Owner LLC during 2010 and 2011. Representatives or employees of the Receiver (or its affiliates) occupied four of the five positions on the Board of Directors. During 2012, the holdings were sold to Snowmass Acquisition Company LLC (SAC) and four of the five positions on the Board of Directors held by the Receiver are now held by SAC. An employee of Aspen Skiing Company occupies the remaining seat. Such Board members may have potential conflict of interest with respect to actions taken in their capacity as Board members. Disclosure of any potential conflicts of interest is made in accordance with Colorado law, in advance of each Board meeting.

During 2015, Snowmass Hospitality, LLC (SH) provided property management services to the District. SH and SAC are both subsidiaries of The Related Companies L.P. The District paid SH $288,998 in 2015 for property management services.

NOTE 8 - DISTRICT AGREEMENTS

Intergovernmental Agreement with Base Village No. 2

The District entered into an intergovernmental agreement with Base Village No. 2 on July 25, 2007 to coordinate the construction, operation and maintenance and financing of facilities that are intended to benefit both the District and Base Village No. 2. Serving as the Service District, the District agrees to construct, manage the financing, operate and maintain the public facilities that the District will own. In connection with the issuance of the Series 2008A and Series 2008B bonds by Base Village No. 2, the District and Base Village No. 2 entered into an “Amended and Restated” intergovernmental agreement dated June 25, 2008. This Amended and Restated intergovernmental agreement made certain changes to accommodate the issuance of the Series 2008A and Series 2008B bonds. The issuance of the 2013A Loan and 2013B bonds by District No. 2 also falls under the parameters of this Agreement. During 2015, the District received $220,106 of net property taxes from Base Village No. 2 to pay for the costs of operations associated with public infrastructure.

Intergovernmental Agreement with Snowmass Village General Improvement District No. 1

On September 30, 2006, the District and Base Village No. 2 (collectively, the Districts) entered into an agreement with Snowmass Village General Improvement District No. 1 (the GID) in order to establish the total aggregate mill levies that are to be imposed by the Districts and the GID. The mill levies, which are to pay for their respective indebtedness and operating costs, will not exceed 49.500 mills annually. Base Village No. 2 is to levy 29.500 mills in 2006, 2007, and 2008 for operations and maintenance and then no more than 6.000 mills for operation and maintenance in any year thereafter. In 2014, Base Village No. 2 levied a debt service mill levy of 37.5 mills, and will continue to levy until any subordinate debt is paid in full. The GID will levy 20.000 mills in 2006, 2007, and 2008 for operations and maintenance expenses and then not more than 10.000 mills thereafter. However, the GID is further limited to 6.000 mills for operations and maintenance until the subordinate debt is paid in full.

Capital Pledge Agreement Between the District and Base Village No. 2

On December 2, 2013, the District entered into an agreement with Base Village No. 2 (The Capital Pledge Agreement) in connection with the issuance of Base Village No. 2’s Series 2013A Loan and Series 2013B Bonds. Subject to certain conditions, including notification from Base Village No. 2 that the amount of revenue generated by imposing its own mill levy at a rate of 43.5 mills is less than that required to meet the Series 2013A Loan debt service requirements for the next year, the District covenants to impose a Capital Levy not to exceed 43.5 mills and remit revenues to Base Village No. 2.

Transit Center Joint Operating Agreement

On November 1, 2010, the District entered into an operating agreement with the Town of Snowmass Village, Colorado, with regard to the Metro District Transit Center Facilities (Facilities).

NOTE 8 - DISTRICT AGREEMENTS (CONTINUED)

Per the agreement, the District shall be responsible for the operation and maintenance of the Facilities, and the Town shall be responsible for the operation and maintenance costs associated with the Transit Office. The Town will manage bus operations in the Facilities for the purposes of carrying out public transportation, which is limited to the Town's shuttles and Roaring Fork Transportation Authority buses, and those otherwise allowed by written consent from the Town.

Conference Center Operational Agreement

On October 9, 2013, the District entered into an Independent Contract Agreement with the Snowmass Acquisition Company, LLC, dba Viceroy Snowmass, for the purpose of providing services to the Conference Center, including sales, marketing, booking and operations. This agreement terminates on April 15, 2016, or by written notice from the District which gives 90 days to termination.

Operations Guarantee Agreement

On June 25, 2008, the District entered into an Operations Guarantee Agreement with Base Village No. 2 and Base Village Owner, LLC (BVO), the new Developer, for the purpose of establishing a source of supplemental funding for operating costs during the Guarantee Period, which last so long as the Letter of Credit is in effect. The Agreement terminated on December 2, 2013.

On November 13, 2013, the District entered into an Operations Guarantee Agreement with Base Village No. 2 and SAC, for the purpose of establishing a source of supplementary funding for operating costs during the Obligation period which last as long as the date hereof and through and including the final maturity date of the 2013A Loan, December 2, 2020.

In the event that the Districts do not have sufficient funds to pay Operating Costs during the aforementioned period, SAC shall be obligated to provide supplemental funding in the amount of the Shortfall, given that specified conditions within the agreement are satisfactorily met. It is currently not determinable if SAC has the ability to provide supplemental funding, if requested.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2015. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 9 - RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 4, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve, all currently levied taxes and fees of the District without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest income	$ 400	$ -	$ (400)
Total revenues	400	-	(400)
EXPENDITURES			
Current			
Contingency	33,330	-	33,330
Legal services	20,000	-	20,000
Capital outlay	50,000	-	50,000
Total expenditures	103,330	-	103,330
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(102,930)	-	102,930
OTHER FINANCING SOURCES (USES)			
Repay Developer advance	(90,000)	(85,000)	5,000
Total expenditures	(90,000)	(85,000)	5,000
NET CHANGE IN FUND BLANCE	(192,930)	(85,000)	107,930
FUND BALANCES - BEGINNING OF YEAR	192,930	202,620	9,690
FUND BALANCES - END OF YEAR	$ -	$ 117,620	$ 117,620

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2015

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied: Operations	Mills Levied: Debt Service	Total Property Taxes: Levied	Total Property Taxes: Collected	Percentage Collected to Levied
2012	$ 4,099,170	43.500	0.000	$ 178,314	$ 163,165	91.50%
2013	$ 3,604,940	43.500	0.000	$ 156,815	$ 155,616	99.24%
2014	$ 2,874,520	43.500	0.000	$ 125,042	$ 123,735	98.95%
2015	$ 2,858,120	43.500	0.000	$ 124,328	$ 124,328	100.00%
Estimated for the year ending December 31, 2016	$ 2,634,480	43.500	0.000	$ 114,600		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF DISTRICT NO. 2
FOR THE YEAR ENDED DECEMBER 31, 2015

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
Pitkin County, Colorado

FINANCIAL STATEMENTS
December 31, 2015

TABLE OF CONTENTS

WAGNER BARNES & GRIGGS, PC
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Base Village Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Base Village Metropolitan District No. 2, as of December 31, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Wagner Barnes & Griggs, PC
12136 W. Bayaud Avenue., Suite 300 · Lakewood, Colorado 80228
303.202.1800 Office · 303.237.0155 Fax · www.wbcpaco.com

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wagner Barnes & Griggs, PC

Lakewood, Colorado
July 20, 2016

BASIC FINANCIAL STATEMENTS

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
December 31, 2015

		Governmental Activities
ASSETS		
Cash and investments - Restricted	$	1,246,235
Receivable - County Treasurer		5,005
Due from other governments		18,807
Property taxes receivable		1,609,281
Total assets		2,879,328
LIABILITIES		
Accrued interest - 2013A Loan		48,495
Due to other governments		690
Noncurrent liabilities		
Accrued interest on Guarantor Bonds		6,586,763
Accrued interest on 2013B Bonds		2,758,297
Due within one year		635,000
Due in more than one year		43,483,000
Total liabilities		53,512,245
DEFERRED INFLOW OF RESOURCES		
Deferred property tax revenue		1,609,281
Total deferred inflow of resources		1,609,281
NET POSITION		
Restricted		1,220,862
Unrestricted		(53,463,060)
Total net position	$	(52,242,198)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:					
Government activities:					
Intergovernmental	$ 231,273	$ -	$ -	$ -	$ (231,273)
Interest and related costs on long-term debt	2,343,578	-	-	72,100	(2,271,478)
	$ 2,574,851	$ -	$ -	$ 72,100	(2,502,751)
General revenues:					
Property taxes					1,616,778
Specific ownership taxes					56,607
Investment income					5,124
Total general revenues					1,678,509
Change in net position					(824,242)
Net position - Beginning					(51,417,956)
Net position - Ending					$ (52,242,198)

These financial statements should be read in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments - Restricted	$ -	$ 1,246,235	$ 1,246,235
Receivable - County Treasurer	690	4,315	5,005
Due from other governments	-	18,807	18,807
Property tax receivable	221,970	1,387,311	1,609,281
TOTAL ASSETS	$ 222,660	$ 2,656,668	$ 2,879,328
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Due to other governments	$ 690	$ -	$ 690
Total liabilities	690	-	690
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	221,970	1,387,311	1,609,281
Total deferred inflows of resources	221,970	1,387,311	1,609,281
FUND BALANCES			
Restricted for:			
Debt service	-	1,269,357	1,269,357
Total fund balances	-	1,269,357	1,269,357
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 222,660	$ 2,656,668	

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Loan payable - Series 2013A	(19,080,000)
Accrued loan interest payable - Series 2013A	(48,495)
Bonds payable - Series 2013B	(23,760,000)
Accrued bonds interest payable - 2013B	(2,758,297)
Bonds payable - Guarantor	(1,278,000)
Accrued bonds interest payable - Guarantor Bonds	(6,586,763)
Net position of governmental activities	$ (52,242,198)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	General	Debt Service	Total Governmental Funds
REVENUES			
Property taxes	$ 223,115	$ 1,393,663	$ 1,616,778
Specific ownership tax	7,808	48,799	56,607
Capital facility fees	-	72,100	72,100
Investment income	350	4,774	5,124
Total revenues	231,273	1,519,336	1,750,609
EXPENDITURES			
Current			
County Treasurer's fees	11,167	69,798	80,965
Interest expense - County	-	-	-
Intergovernmental	220,106	-	220,106
Debt service			
Bond principal	-	620,000	620,000
Bond interest	-	816,060	816,060
Paying agent/trustee fees	-	3,000	3,000
Total expenditures	231,273	1,508,858	1,740,131
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	10,478	10,478
FUND BALANCES - BEGINNING OF YEAR	-	1,258,879	1,258,879
FUND BALANCES - END OF YEAR	$ -	$ 1,269,357	$ 1,269,357

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	$	10,478
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond principal payment		620,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest on long-term obligations - Change in liability		(1,454,720)
Changes in net position of governmental activities	$	(824,242)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 223,004	$ 223,115	$ 223,115	$ -
Specific ownership tax	6,690	10,808	7,808	(3,000)
Investment income	-	350	350	-
Total revenues	229,694	234,273	231,273	(3,000)
EXPENDITURES				
Current				
County Treasurer's fees	11,150	11,167	11,167	-
Intergovernmental	218,544	223,106	220,106	3,000
Total expenditures	229,694	234,273	231,273	3,000
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ -	$ -

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 - DEFINITION OF REPORTING ENTITY

Base Village Metropolitan District No. 2 (the District) was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito and pest control. The District's service area is located entirely within the Town of Snowmass Village (the Town), in Pitkin County, Colorado. Under the Consolidated Service Plan (Amended and Restated Consolidated Service Plan approved October 17, 2006), the District is the Financing District and is related to Base Village Metropolitan District No. 1 (Base Village No. 1), which serves as the Service District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Service District, together with the Financing District, provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

> The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing use level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its budget during the year ended December 31, 2015.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuring calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Facility Fee

A fee of $5,150 will be collected upon the initial sale of each residential living unit and used to pay debt service payments on the bonds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures

Administrative Expenditures

Base Village No. 1 records all operational and administrative expenditures for the Districts.

Base Village No. 1 - IGA Reimbursement

Pursuant to an intergovernmental agreement between the District and Base Village No. 1, revenues collected by the District, including net property taxes and specific ownership in the General Fund will be remitted to Base Village No. 1 (see Note 7). Net property taxes and specific ownership taxes remitted to Base Village No. 1 will be used to pay operations and maintenance costs.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments - Restricted	$ 1,246,235

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the District had no cash deposits.

Investments

The District follows state statutes regarding investments, and as such, has not adopted a formal policy.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

. Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
. General obligation and revenue bonds of U.S. local government entities
. Certain certificates of participation
. Certain securities lending agreements
. Bankers' acceptances of certain banks
. Commercial paper
. Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
. Certain money market funds
. Guaranteed investment contracts
* Local government investment pools

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2015, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	$ 1,246,235

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAm by Standard & Poor's.

NOTE 4 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2015:

	Balance at December 31, 2014	Additions	Reductions	Balance at December 31, 2015	Due Within One Year
Governmental Activities:					
General obligations payable:					
Guarantor Bonds	$ 1,278,000	$ -	$ -	$ 1,278,000	$ -
Accrued interest on Guarantor Bonds	6,458,963	127,800	-	6,586,763	-
2013A Loan	19,700,000	-	620,000	19,080,000	635,000
2013B Bonds	23,760,000	-	-	23,760,000	-
Accrued interest on 2013B Bonds	1,429,106	1,544,400	215,209	2,758,297	-
	$ 52,626,069	$ 1,672,200	$ 835,209	$ 53,463,060	$ 635,000

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

General Obligation Bonds

$20,300,000 Senior Tax-Free Loan Refunding & Improvement, Series 2013A, dated December 2, 2013. The loan matures on December 2, 2020, with mandatory redemption principal payments starting at $600,000 on December 1, 2014, and interest payments due on June 1 and December 1 at a fixed interest rate of 3.05% per annum. The loan may be prepaid without premium or penalty starting on and after September 2, 2016. A balloon payment of $16,430,000 is due on the maturity date. In the event that the refinancing is not successful prior to that time, the loan balance will begin to bear interest at an adjusted rate 11.05%.

The loan is secured and payable from the following sources, net of any collection costs: 1) property tax revenues from the "Required Mill Levy", and 2) specific ownership tax revenue related to the "Required Mill Levy". The term "Required Mill Levy" includes both a debt service mill levy and an operations mill levy component. The Required Mill Levy is 37.5 mills for debt service and 6.0 mills for operations. The Required Mill Levy is subject to adjustment for changes in the ratio of actual value to assessed value of property within the District. The Consolidated Service Plan establishes certain limitations on the maximum mill levy that the District may impose for debt service, and the terms of the Bonds are subject to these limitations.

$23,760,000 Subordinate Limited Tax Revenue Refunding Bond, Series 2013B, dated November 13, 2013. The bond matures on December 15, 2043, and has an interest rate of 6.50% that will be imposed on the unpaid principal amount. The bond is secured and payable from the following sources, net of any collection costs: 1) property tax revenues from the "Required Mill Levy", 2) specific ownership tax revenue related to the "Required Mill Levy", 3) capital fees, and 4) any other legally available money.

Pledged Revenues from the Required Mill Levy are available to pay for commitments under the Bond Resolution only after subtracting the Required Mill Levy revenues due under the Loan Agreement. To the extent of available Pledged Revenues, interest and principal payments are due annually on or before December 15, beginning on or after the Custodial Eligibility Date, defined as the first date on which the Debt to Assessed Ratio is equal to or less than 50%, until the bond is paid in full. However, any amount remaining unpaid on the bond maturity date shall be deemed fully discharged without further action by the District or the Owner.

The District's pledge of capital fees revenue toward the repayment of the bond is not subordinate to the loan, but rather is a first priority pledge. Capital fees are due annually to the bondholder on or before December 15 starting on December 15, 2014.

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

$1,278,000 Guarantor Bonds, Series 2011, dated December 23, 2011. On December 2, 2013, $31,272,000 of Guarantor bonds were refunded with the Series 2013A loan and Series 2013B Bonds, leaving a remaining balance of $1,278,000. The Guarantor bonds were held by Snowmass Acquisition Company LLC (SAC, see Note 6) as of December 31, 2013. Under the Fourth Supplemental Indenture of Trust, the underlying indenture is suspended, provided that the Guarantor bonds shall continue to bear interest at a rate of 10% and may be refunded at any date by the District. However, the District has no obligation to impose a mill levy for the purpose of repayment. Any amount remaining unpaid at maturity date of December 1, 2038, shall be deemed fully discharged without further action by the District.

Capital Pledge Agreement between the District and Base Village No. 1

On December 2, 2013, the District entered into an agreement (the Capital Pledge Agreement) with Base Village No. 1 in connection with the issuance of the District's Series 2013A loan and Series 2013B bond. Subject to certain conditions, including the levy by the District of the Required Mill Levy associated with the bonds, the Capital Pledge Agreement requires the levy by District No. 1 of up to 43.5 mills annually to support debt service on the bonds. For the year ended December 31, 2015, the District does not require a capital levy from District No. 1 to support debt service.

Series 2013A Loan principal and interest will mature as follows:

	Principal	Interest	Total
2016	$ 635,000	$ 581,940	$ 1,216,940
2017	655,000	562,573	1,217,573
2018	670,000	542,595	1,212,595
2019	690,000	522,160	1,212,160
2020	16,430,000	501,115	16,931,115
	$ 19,080,000	$ 2,710,383	$ 21,790,383

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 1, 2005, the District's electors authorized the issuance of indebtedness in an amount not to exceed $107,500,000. At December 31, 2015, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorization Used Series 2008 A&B	Authorization Used Series 2008D	Authorization Used Series 2013 A&B	Remaining at December 31, 2015
Streets	$ 41,300,000	$ 21,248,750	$ -	$ -	$ 20,051,250
Public transportation	39,300,000	21,965,000	2,200,000	-	15,135,000
Fire protection	2,000,000	1,193,750	-	-	806,250
Traffic and safety	1,800,000	-	-	-	1,800,000
Parks and recreation	23,000,000	3,342,500	-	-	19,657,500
Mosquito control	100,000	-	-	-	100,000
	$ 107,500,000	$ 47,750,000	$ 2,200,000	$ -	$ 57,550,000

Pursuant to the Amended and Restated Consolidated Service Plan, the Districts are permitted to issue bond indebtedness of up to $48,700,000 in par amount, excluding underwriter discount, credit enhancement costs, other costs of issuance, and payments made by guarantors under any pledge agreement or for direct bond payments. As of December 31, 2012, the District has issued $47,750,000 (inclusive of $4,179,943 of cost excludable as described above) of General Obligation Bonds and $2,200,000 in the form of a Developer Subordinate Note.

During 2013, the District refunded its Series 2008A bonds, repaid its Developer Subordinate Note, and reduced its Guarantor Bond obligation through the issuance of the 2013A Loan and 2013B bond. No additional authorization was used as the District issued less debt than was previously issued with the 2008 obligations and Subordinate Note.

NOTE 5 - NET POSITION

The District has net position consisting of two components - restricted and unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of $1,220,862 as of December 31, 2015.

The District's unrestricted net position as of December 31, 2015, is $(53,463,060). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements, which are being constructed, funded and/or reimbursed by Base Village No. 1 and will be held by Base Village No. 1 or conveyed to other governmental entities.

NOTE 6 - RELATED PARTIES

Destination Snowmass Services, Inc., served as Receiver with respect to the holdings of Base Village Owner LLC (BVO) within the project served by the District, in connection with a foreclosure action instituted by certain lenders of Base Village Owner LLC during 2010 and 2011. Representatives or employees of the Receiver (or its affiliates) occupied four of the five positions on the Board of Directors. During 2012, the holdings were sold to Snowmass Acquisition Company LLC (SAC) and four of the five positions on the Board of Directors held by the Receiver are now held by SAC. An employee of Aspen Skiing Company occupies the remaining seat. Such Board members may have potential conflict of interest with respect to actions taken in their capacity as Board members. Disclosure of any potential conflicts of interest is made in accordance with Colorado law, in advance of each Board meeting.

NOTE 7 - DISTRICT AGREEMENTS

Intergovernmental Agreement with Base Village No. 1

The District entered into an intergovernmental agreement with Base Village No. 1 on July 25, 2007, to coordinate the construction, operation and maintenance and financing of facilities that are intended to benefit both the District and Base Village No. 1. Serving as the Service District, Base Village No. 1 agrees to construct, manage the financing, operate and maintain the public facilities that Base Village No. 1 will own. In connection with the issuance of the Series 2008A and Series 2008B bonds, the District and Base Village No. 1 entered into an "Amended and Restated" intergovernmental agreement dated June 25, 2008. This Amended and Restated intergovernmental agreement made certain changes to accommodate the issuance of the Series 2008A and Series 2008B bonds. The issuance of the 2013A Loan and 2013B bonds by the District also falls under the parameters of this Agreement. During 2015, the District remitted $220,106 of net property taxes and specific ownership taxes for operations to pay for and/or reimburse the costs of public infrastructure contracted by Base Village No. 1.

Intergovernmental Agreement with Snowmass Village General Improvement District No. 1

On September 30, 2006, the District and Base Village No. 1 (collectively, the Districts) entered into an agreement with Snowmass Village General Improvement District No. 1 (the GID) in order to establish the total aggregate mill levies that are to be imposed by the Districts and the GID. The mill levies, which are to pay for their respective indebtedness and operating costs, will not exceed 49.500 mills annually. The District is to levy 29.500 mills in 2006, 2007, and 2008 for operations and maintenance and then no more than 6.000 mills for operation and maintenance in any year thereafter. In 2012, for collection year 2013, the District levied a debt service mill levy of 37.500 mills, and will continue to levy until any subordinate debt is paid in full. The GID will levy 20.000 mills in 2006, 2007, and 2008 for operations and maintenance expenses and then not more than 10.000 mills thereafter. However, the GID is further limited to 6.000 mills for operations and maintenance until any subordinate debt is paid in full.

NOTE 7 - DISTRICT AGREEMENTS (CONTINUED)

Operations Guarantee Agreement

On November 13, 2013, the District entered into an Operations Guarantee Agreement with Base Village Metropolitan District No. 1 and SAC, for the purpose of establishing a source of supplementary funding for operating costs during the Obligation Period which lasts as long as the date hereof and through and including the final maturity date of the 2013A Loan, December 2, 2020.

In the event that the Districts do not have sufficient funds to pay Operating Costs during the aforementioned period, SAC shall be obligated to provide supplemental funding in the amount of the Shortfall, given that specified conditions within the agreement are satisfactorily met. It is currently not determinable if SAC has the ability to provide supplemental funding, if requested.

Infrastructure Acquisition and Reimbursement Agreement

Base Village No. 1 entered into an Infrastructure Acquisition and Reimbursement Agreement (IARA) dated October 19, 2007, with the District and the new Developer, Base Village Owner LLC. On September 28, 2012, the obligations were assigned to SAC (see Note 6). The District is party to the IARA for purposes of providing funding for payment of obligations to the Developer. Per the IARA, the Developer will construct certain Public Infrastructure improvements and will be reimbursed by the District for those improvements that are determined to be “District Eligible Costs”. District Eligible Costs shall mean any and all costs that may be lawfully funded by the Districts under the Special District Act and the Districts’ Service Plan. Base Village No. 1 will accept District Eligible Costs after cost and engineer certifications are issued. With respect to District Eligible Costs for which the Districts become obligated to reimburse the Developer but remained unpaid, interest will accrue at 8% per annum from the date of acceptance.

NOTE 8 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2015. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials’ liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to Base Village No. 1 pursuant to the Master IGA. Therefore, the Emergency Reserves related to the District's revenues are captured in Base Village No. 1.

On November 4, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve, all currently levied taxes and fees of the District without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 1,393,775	$ 1,393,663	$ (112)
Specific ownership tax	41,810	48,799	6,989
Capital facility fees	133,900	72,100	(61,800)
Investment income	1,200	4,774	3,574
Total revenues	1,570,685	1,519,336	(51,349)
EXPENDITURES			
Current			
County Treasurer's fees	69,689	69,798	(109)
Bond principal	620,000	620,000	-
Bond interest	874,195	816,060	58,135
Paying agent/trustee fees	8,000	3,000	5,000
Total expenditures	1,571,884	1,508,858	63,026
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(1,199)	10,478	11,677
FUND BALANCES - BEGINNING OF YEAR	1,256,087	1,258,879	2,792
FUND BALANCES - END OF YEAR	$ 1,254,888	$ 1,269,357	$ 14,469

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2015

	$20,300,000 Senior Tax-Free Loan Refunding & Improvement Fixed Rate Loan, Series 2013A Dated December 2, 2013 Principal Payable December 1 Interest at 3.05% Payable June 1 and December 1		Total Debt
Year Ended December 31,	**Principal**	**Interest**	**Service**
2016	$ 635,000	$ 581,940	$ 1,216,940
2017	655,000	562,573	1,217,573
2018	670,000	542,595	1,212,595
2019	690,000	522,160	1,212,160
2020	16,430,000	501,115	16,931,115
	$ 19,080,000	$ 2,710,383	$ 21,790,383

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2015

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied: Operations	Mills Levied: Debt Service	Total Property Taxes: Levied	Total Property Taxes: Collected	Percentage Collected to Levied
2010	$ 37,637,670	6.000	37.500	$ 1,637,200	$ 1,450,108	88.57%
2011	$ 40,643,900	6.000	37.500	$ 1,768,009	$ 1,768,009	100.00%
2012	$ 32,925,410	6.000	37.500	$ 1,432,255	$ 1,317,137	91.96%
2013	$ 32,201,150	6.000	37.500	$ 1,400,750	$ 1,394,022	99.52%
2014	$ 35,695,930	6.000	37.500	$ 1,552,773	$ 1,552,355	99.97%
2015	$ 37,167,320	6.000	37.500	$ 1,616,779	$ 1,616,778	99.99%
Estimated for the year ending December 31, 2016	$ 36,994,950	6.000	37.5000	$ 1,609,281		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

APPENDIX C

MARKET ANALYSIS

Market Analysis for Future Development at Snowmass Base Village

Snowmass Village, Colorado

Prepared for Base Village Metropolitan District #2 | Snowmass Village, CO | November 28, 2016

Contents

Introduction

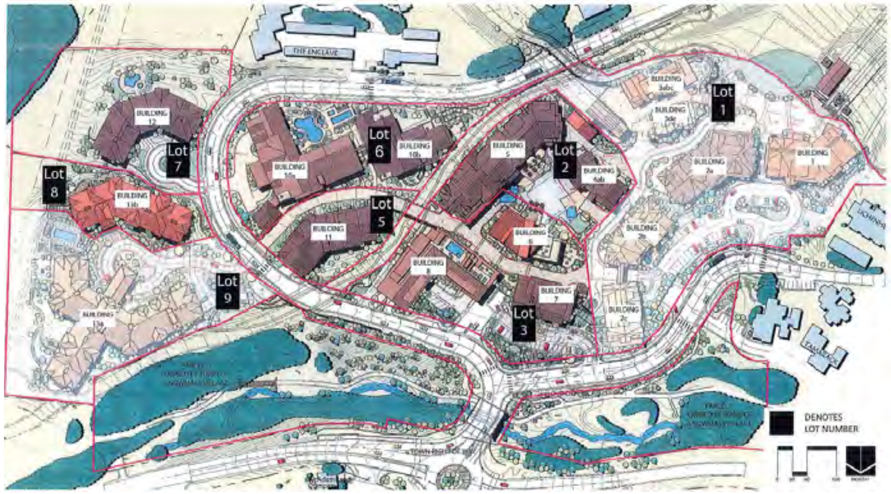
Introduction

Background

It is our understanding that Snowmass Base Village plans to utilize public bonds to finance the infrastructure for future development, including approximately 259 market-rate condominium units, 10 townhomes (Fanny Hill), 21 employee housing units, 102 hotel rooms, and approximately 43,855 square feet of retail space. Additionally, there is an existing inventory of 65 unsold condominium units in Viceroy (Building 13A), including the combination of two penthouse units.

To support the proposed bonds, the Base Village Metropolitan District #2 requires a market analysis to support the projected absorption and valuation for the future residential and commercial uses in the district.

Site Plan
Snowmass Base Village



Future Development Program by Building
Snowmass Base Village

BUILDING	Studio #	Studio SF	1B #	1B SF	2B #	2B SF	3B #	3B SF	4B #	4B SF	5B #	5B SF	TOTAL #	TOTAL SF	EMPLOYEE #	EMPLOYEE SF	COMMERCIAL: COMMERCIAL SF	COMMERCIAL: HOTEL ROOMS
4AB	0	0	0	0	1	1,792	1	2,348	1	3,066	0	0	3	2,402	0	0	4,951	0
5	0	0	0	0	13	1,348	2	1,790	0	0	0	0	15	1,407	2	1,006	18,737	102
7	0	0	0	0	3	1,499	7	1,924	1	2,860	0	0	11	1,893	4	777	8,088	0
8	0	0	4	516	0	0	6	2,051	20	2,535	0	0	30	2,169	0	0	5,998	0
10A	0	0	20	806	27	1,328	21	1,678	0	0	0	0	68	1,282	3	877	6,081	0
10B	0	0	16	943	17	1,290	9	1,857	0	0	0	0	42	1,279	2	918	0	0
11	0	0	0	0	2	1,164	15	1,817	6	2,471	2	3,501	25	2,056	2	515	0	0
12	0	0	0	0	2	1,274	12	2,070	4	2,462	2	3,200	20	2,182	0	0	0	0
13B	11	421	0	0	22	1,280	12	1,713	4	2,315	0	0	49	1,278	7	728	0	0
FANNY HILL	0	0	0	0	0	0	0	0	10	2,388	0	0	10	2,388	1	550	0	0
TOTAL	**11**	**421**	**40**	**832**	**87**	**1,317**	**85**	**1,839**	**46**	**2,488**	**4**	**3,351**	**273**	**1,600**	**21**	**774**	**43,855**	**102**

Note: RCLCO's analysis excludes the 9,775 square feet of commercial space in Building 6, which will be a tax-exempt community facility.
Source: East West Partners; RCLCO

RCLCO

Introduction (cont.)

Objectives

The key objectives of RCLCO's involvement were to:

- Characterize the market conditions and trends of high-end mountain resort residential products in the U.S. mountain resorts, and specifically in Snowmass and Aspen. What do existing properties in Snowmass sell for, what is their assessed value, where are the units located, and what condition are they in? Where are Snowmass buyers coming from and what type of product are they looking for?

- Characterize the market conditions and trends for commercial space, focusing on retail and hospitality uses in Snowmass and Aspen.

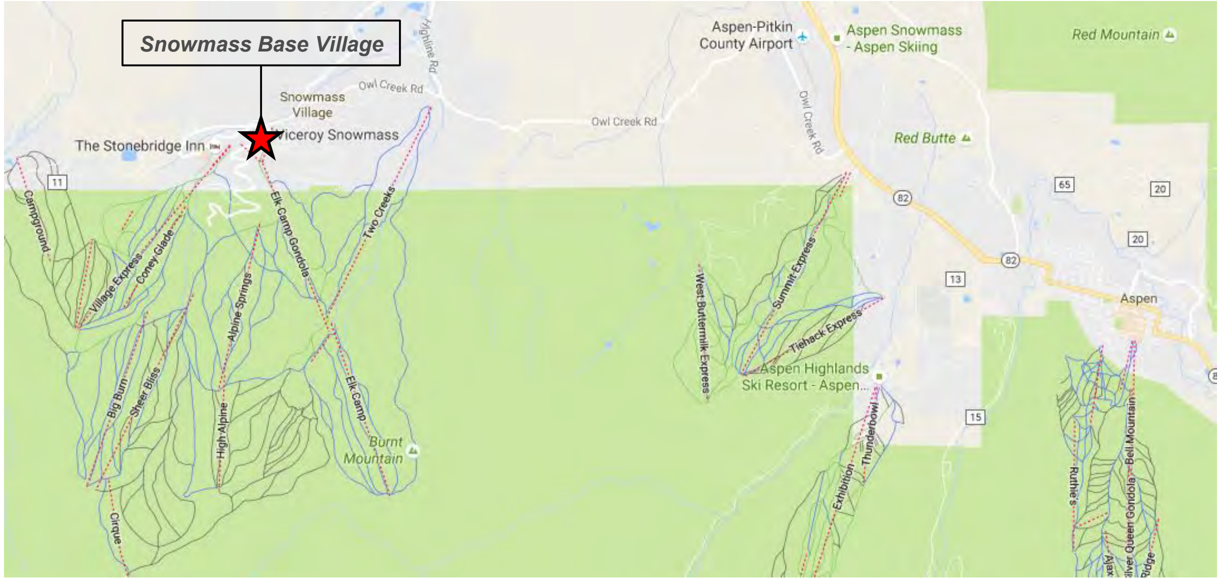
- Based on market trends and preferences, comment on the feasibility and performance of the development program relative to the scale, unit sizes, unit mix, configuration, amenity program, commercial space, etc. Recommendations will comment on potential differences, if any, between fractional and whole ownership units.

- Prepare an analysis of the likely price positioning and absorption, or potentially pricing-absorption scenarios that the project may encounter if positioned above.

- Project Statutory Actual Values ("SAV") for the proposed residential and commercial development program based on comparable properties and compare these values to the projected sales prices for the units and commercial space.

This effort has been informed by RCLCO's prior experience in Snowmass and Aspen, primary and secondary data we will be gathering and analyzing, as well as our national body of knowledge on the western mountain resort real estate markets and the evolution of the vacation home markets more broadly.

Regional Map



Introduction (cont.)

Firm Background

Since 1967, RCLCO (formerly Robert Charles Lesser & Co.) has been the "first call" for real estate developers, investors, the public sector, and non-real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development. RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 50 years and thousands of projects – touching over $5B of real estate activity each year – RCLCO brings success to all product types across the United States and around the world.

Each day, our consultants apply the knowledge gained from our body of work along with the insights stemming from our proprietary research—trends analysis, consumer research, project performance metrics, economic projections, etc.—to add value to our clients' real estate activities at every point in the market cycle. We constantly refine our concepts and methods in order to identify the best means for helping our clients gain a competitive advantage in the marketplace.

RCLCO has expertise in five major areas: Urban Real Estate, Community & Resort Development, Public Strategies, Institutional Advisory, and Strategic Planning & Litigation Support. Our multidisciplinary team combines real world experience with the analytical underpinnings of the firm's thousands of consulting engagements to develop and implement strategic plans that strengthen our client's position in a market or sector, add value to a property or portfolio, mitigate price erosion, and strengthen a client's position in the case of an acquisition or disposition.

The Community & Resort Advisory Group provides expert market and strategic analysis to developers, builders, landowners, and investors engaged in planned community, active retirement and second home development. Clients seeking clarity on the depth of opportunity for development assets rely on us to recommend the optimal development program, pricing, product and market segmentation strategies, as well as forecast sales absorption potential. RCLCO utilizes unique methodologies to understand the market in ways that can be directly applied to evaluating specific and targeted opportunities, thereby enhancing clients' success with trusted, actionable market intelligence.

No other firm in the nation has the breadth and depth of experience that RCLCO has relative to planned communities; we've worked on over 2,600 communities in our history.

Executive Summary

Executive Summary

Based on the development schedule provided by the developer, construction of new buildings in Snowmass Base Village is expected to commence in 2017 and be completed by 2024, with construction of each building lasting approximately 18 months. The demand and absorption analysis suggests significant market depth sales pace to support this delivery schedule (Exhibit I-10A and I-10B).

The market analysis suggests Snowmass Base Village is poised for a favorable response from the target markets that could increase its positioning to be above the local Snowmass Village market, more in line with comparable product in Aspen. As such, recommended prices are projected to average $1,250 per square foot, in 2016 dollars, for the existing and future luxury condominiums and townhomes.

Future buildings also contain a total of 21 employee housing units averaging 774 square feet. These units will be offered as either ownership or rental product. The for-sale price of the employee housing is projected to be approximately $250 per square foot, in 2016 dollars.

This analysis estimates Statutory Actual Values ("SAV") for new residential properties based on a four-stage valuation cycle:

A. Before construction of each building is complete, the SAV is calculated as the Permit Value (hard cost of construction) multiplied by the percent complete as of January 1 of each year, plus existing value of the land.

B. In the first year following completion of each building, the SAV will be calculated based on sales comparables over a two year "look back" period (refer to page 17). To simplify this analysis, we estimate that Statutory Actual values during this stage of the valuation cycle will be approximately 90% of the full market price, which is based on an analysis of historical home price growth and a comparison of recent sales to current SAV.

C. The next assessment stage is when sales of each new unit will be included in the comparable sales set and the SAV will reset to the market value, or sales price, achieved during the "look back" period.

D. Each building will have stabilized and SAV is projected to grow by the price appreciation for sales in the local condominium market.

Refer to Exhibit I-3B for more details.

Delivery Timeline and Statutory Actual Values by Building – Residential (2016 $)
Snowmass Base Village

	TIMING			SAV	
	CONSTRUCTION START YEAR	DELIVERY YEAR	PERMIT VALUE	INITIAL	STABILIZED
4AB/5	2017	2018	$18,770,000	$30,100,000	$33,440,000
7/8	2017	2019	$54,800,000	$106,970,000	$118,860,000
13B	2019	2020	$37,960,000	$70,380,000	$78,200,000
Fanny Hill	2019	2020	$17,060,000	$34,510,000	$38,340,000
11/12	2020	2021	$61,550,000	$118,090,000	$131,210,000
10A	2021	2022	$58,300,000	$94,840,000	$105,380,000
10B	2023	2024	$34,940,000	$57,110,000	$63,460,000

Source: Pitkin County Assessor; East West Partners; RCLCO

Executive Summary (cont.)

Estimated SAV for future commercial properties in Snowmass Base Village follow a slightly different methodology. Before construction of the building is complete, the SAV is calculated as the Permit Value (hard cost of construction) that is allocated to commercial space multiplied by the percent complete as of January 1 of each year, plus existing value of the land. Once the building is complete, the SAV is estimated based on current SAV for comparable hotel and commercial properties:

- Based on RCLCO's analysis of the Assessor's SAV of comparable high-end hotels in the greater Aspen region, and considering the relationship between real estate values in the Snowmass Village and Aspen markets, hotel rooms at the future Snowmass Base Village Limelight Hotel are projected to achieve a SAV of $320,000 per room, or approximately $32.6 million for the entire property, in 2016 dollars (Exhibit I-4C).
- SAV reported by the Pitkin County Appraiser for commercial space in Snowmass Village average approximately $290 per square foot, after excluding outliers (Exhibit I-4D). Applying this value ratio to the future space in Snowmass Base Village implies a SAV of $12.7 million for all of the future commercial space, in 2016 dollars.

Refer to Exhibit I-4B for more details.

Delivery Timeline and Statutory Actual Values by Building – Commercial (2016 $)
Snowmass Base Village

	TIMING			SAV	
	CONSTRUCTION START YEAR	DELIVERY YEAR	PERMIT VALUE	HOTEL	COMMERCIAL
4AB/5	2017	2018	$3,270,000	$32,640,000	$6,870,000
7/8	2017	2019	$1,630,000	$0	$4,080,000
13B	2019	2020	$0	$0	$0
Fanny Hill	2019	2020	$0	$0	$0
11/12	2020	2021	$0	$0	$0
10A	2021	2022	$2,140,000	$0	$1,760,000
10B	2023	2024	$0	$0	$0

Source: Pitkin County Assessor; East West Partners; RCLCO

Executive Summary (cont.)

Prices for condominiums in Snowmass Base Village have experienced short-term volatility over time, likely the result of a highly varied inventory, but price growth has averaged 3.4% per year over the long-term since 2000. The growth in pricing is well below the average price growth for condominiums in Aspen, where growth has averaged 4.7% per year. While it is difficult to forecast pricing changes from year to year, Snowmass Village remains underpriced relative to comparable mountain resorts and has long-term upside potential. In light of this disconnect, we project that pricing in Snowmass Base Village has the potential to increase by approximately 5.0% per year between 2017 and 2020, driven in part by the successful relaunch and stabilization of the new Snowmass Base Village. Upon stabilization, pricing is likely to grow at a more stable rate consistent with long-term trends (3.0% per year).

The Pitkin County Assessor assesses statutory actual values on a bi-annual basis, resulting in a two-year lag between price growth in the residential market and the escalation rate for statutory actual values. Given this lag, we expect statutory actual values to increase by 4.7% in 2017 and by 10.3% in 2019 and 2021, before stabilizing at the expected long-term growth rate of 6.1% beginning in 2023.

For commercial properties, we assume prices and values would grow by 3% per year, implying SAV could increase by 6.1% in each valuation cycle.

Projected Residential Escalation Rates
Condominium Prices and SAV
Snowmass Village
2015-2026

YEAR	PRICE GROWTH (SNOWMASS VILLAGE CONDO MARKET)	SAV GROWTH (TWO YEAR LAG)
2015	*0.8%*	
2016	*3.9%*	
2017	5.0%	4.7%
2018	5.0%	
2019	5.0%	10.3%
2020	5.0%	
2021	3.0%	10.3%
2022	3.0%	
2023	3.0%	6.1%
2024	3.0%	
2025	3.0%	6.1%
2026	3.0%	

Source: Pitkin County Assessor; RCLCO

Residential Market Analysis

Residential Market Analysis

Target Market

We anticipate the demand for new units in Snowmass Base Village will comprise three primary target markets, including:

- Current owners in Snowmass Village who are interested in moving up in the market to nicer and newer product.
- Frequent travelers to Snowmass Village who do not currently own a property, but would now be interested in purchasing.
- Wealthy households considering a mountain-resort vacation home, but may not have decided on one particular location.

As consumers gain confidence in the vision and direction of Snowmass Base Village, the ability of the subject site to attract buyers in each of the different target segments should increase, providing further support for the capture rates used in the demand analyses described below.

Historical Sales Volume Demand Analysis

RCLCO first analyzed potential absorption based on historical and projected sales in the market. In order to understand increased absorption potential based on the limited current supply of new products, we have run a sensitivity analysis based on a range of sales volume and capture scenarios.

The Sales Volume Scenarios are as follows:

- *Long-Term Case (Exhibit II-1B)* – Considers a weighted average of the below three scenarios. The long-term case is a conservative scenario as it balances the long-run and current-cycle averages with the more optimistic historical peak scenario.
    - *Current Cycle Average (25% Weight)* – Considers the average number of annual sales by price range and product type over the 2012-2016 (annualized) time period.
    - *Long-Run Average (50% Weight)* – Considers the average number of annual sales by price range and product type over the 2000-2016 (annualized) time period.
    - *Historical Peak (25% Weight)* – Considers the average number of annual sales by price range and product type achieved during the peak from 2004-2007.
- *Peak Case (Exhibit II-1C)* – Only considers the average number of annual sales by price range and product type from 2004-2007 ("historical peak" identified above). While this represents a more aggressive scenario, particularly given the recent slowdown in residential activity in Aspen in 2016, we believe it is a potential outcome considering the fact that it represents a time period in which desirable new product was delivered to the market. Additionally, similar to the historical peak, we believe that today there is pent-up demand and that the new supply could open up the market and generate potentially higher sales volume as new product is introduced.

Sales Volume Scenarios – Snowmass Village, CO

PRODUCT TYPE	PRICE RANGE	LONG-TERM CASE (WTD. AVG.)	HISTORICAL PEAK AVERAGE (2004 to 2007)
Condo	$500K-$1M	41	59
Condo	$1M-$2M	22	26
Condo	$2M+	12	20
SFD	$1M-$2M	18	25
SFD	$2M-$3M	12	15
SFD	$3M+	23	34
Fractional	$250K-$350K	15	14
Fractional	$350K+	14	31

Source: Pitkin County Assessor; RCLCO

Residential Market Analysis (cont.)

Historical Sales Volume Demand Analysis (cont.)

The Capture Scenarios that are applied to the Long-Term and Peak sales volume scenarios are as follows:

- *Base* – Assumes Snowmass Base Village could capture a significant portion of condo and fractional sales, as well as demand from some buyers who historically chose SFD product.
- *Aggressive* – Assumes a stronger capture of each segment described in the Base Case.

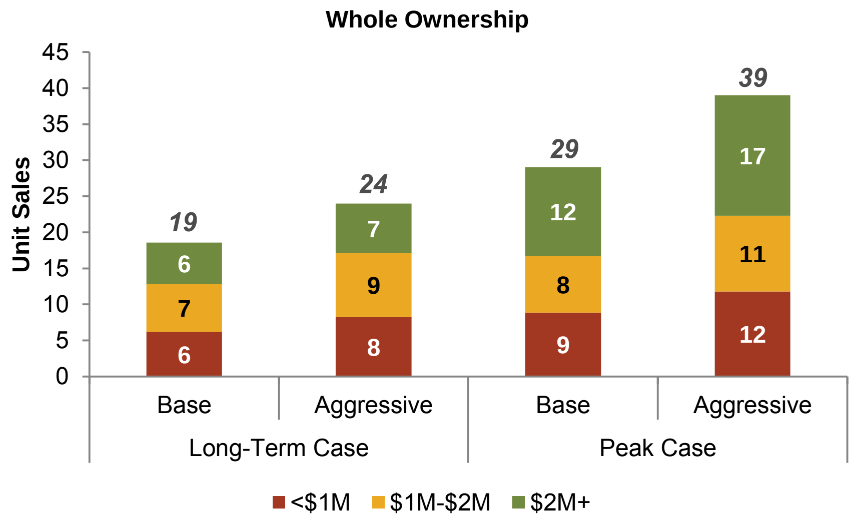
The base and aggressive captures of the long-term sales volume scenario can be achieved by delivering well-executed, high-quality products at Snowmass Base Village at the right time. These scenarios suggest that Snowmass Base Village could achieve absorption between 19 and 24 units per year. Fractional units remain a viable product type and should add an additional demand potential of 12 to 17 intervals per year. We also recognize, however, that Snowmass Base Village presents strong upside potential above and beyond these absorption estimates, given the pent-up demand, limited supply of high-quality units, and the historical surge in sales volume that has occurred when new product has been introduced. Therefore, it is important to also consider the absorption estimates of the peak case sales volume scenario. The absorption in this case would range from 29 to 39 units per year, with an additional demand potential of 18 to 26 fractional intervals per year.

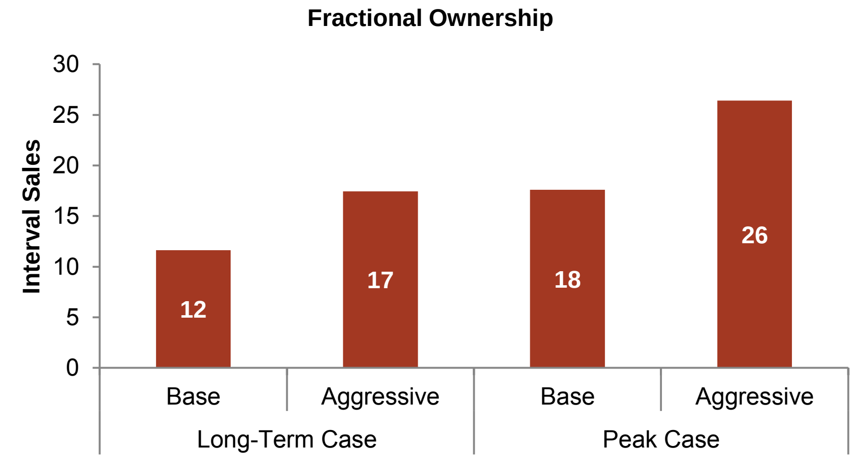
Subject Site Capture of Historical Sales Volume in Snowmass Village, CO

PRODUCT TYPE	PRICE RANGE	BASE	AGGRESSIVE
Condo	$500K-$1M	15%	20%
Condo	$1M-$2M	30%	40%
Condo	$2M+	50%	60%
SFD	$1M-$2M	0%	0%
SFD	$2M-$3M	5%	10%
SFD	$3M+	5%	10%
Fractional	$250K-$350K	40%	60%
Fractional	$350K+	40%	60%

Source: RCLCO

Historical Sales Volume Demand Scenarios Snowmass Base Village





Source: RCLCO

Residential Market Analysis (cont.)

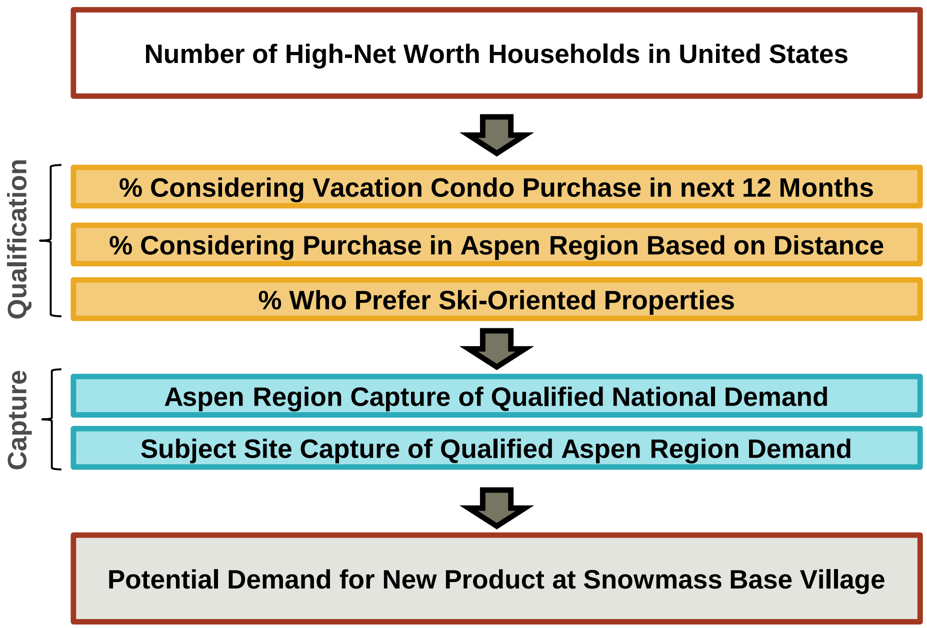
Demographic Driven Demand Analysis

In addition to the sales volume capture analysis, RCLCO estimated the potential market depth for fractional and whole ownership vacation properties by attempting to understand particular purchase motivations and intentions from the broader target markets across the United States.

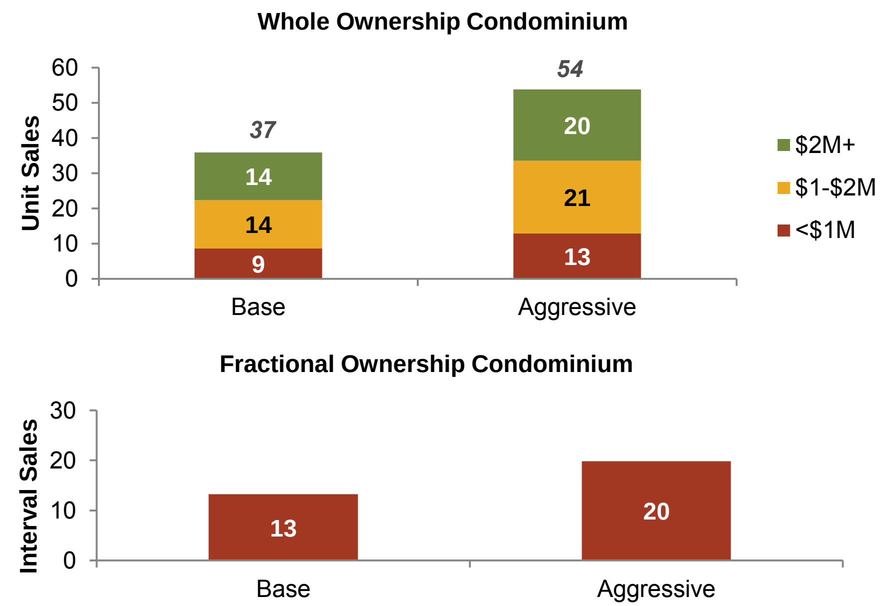
To do this, we first quantified the number of high-net worth households (above $2 million) according to data from the Credit Suisse Global Wealth Report. We then utilized the results of the Resonance Recreational Real Estate Report (2015), a study conducted among affluent U.S. consumers (top 10% by income) to measure and monitor their travel and leisure intentions and aspirations. The Resonance report includes responses from both vacation home owners as well as "intenders," defined as individuals who are considering a purchase within the next 24 months. Responses regarding the purchase intentions, location, and desired property features of future vacation home purchases are particularly insightful. As further support, we also relied on results from the National Association of Realtor's Investment and Vacation Home Buyers Survey.

This methodology, which is not constrained by limited inventory, indicates potential demand for 37 to 54 units per year, higher than the 29 to 39 sales suggested by the peak case historical sales volume methodology Additionally, a similar analysis for fractional demand suggests that Snowmass Base Village could capture demand for between 13 and 20 intervals each year. Refer to Exhibit II-2 for more details.

Demographic Driven Demand Methodology



Demographic Driven Demand Scenarios
Snowmass Base Village



Source: RCLCO

Residential Market Analysis (cont.)

Existing Viceroy Inventory

The biggest near-term challenge for Snowmass Base Village is the remaining inventory in Phase I of the Viceroy. The design and size of the units has made them difficult to sell and has been a drag on the overall momentum of the Base Village. In particular, this building features 65 unsold units that are mostly small studio and one-bedroom units, which are not ideal for family-oriented vacation home owners. The recent performance of this building casts a negative light on the general health of the Snowmass Base Village market and the remaining inventory remains a significant challenge impacting the relaunch of Snowmass Base Village.

We therefore propose lowering pricing for these units to an average price of $865 per square foot, below the pricing of both current listings ($1,018 per square foot) and historical sales ($901 per square foot). This translates to pricing starting at $240,000 for a 400-square foot studio unit to $4.6 million for a 3,500-square foot four-bedroom condo.

Viceroy – Snowmass Village, CO

Viceroy Pricing from Sales, Listings, and RCLCO Recommendations – Snowmass Base Village

	SALES				LISTINGS				RCLCO PRICING			
	UNITS	SIZE	PRICE	$/SF	UNITS	SIZE	PRICE	$/SF	UNITS	SIZE	PRICE	$/SF
Studio	22	386	$254,028	$657	26	401	$325,462	$811	26	401	$240,800	$600
1B	35	639	$498,719	$781	26	695	$648,154	$933	26	695	$521,100	$750
2B	25	1,090	$1,069,147	$981	9	1,014	$1,054,000	$1,040	9	1,014	$1,013,900	$1,000
3B	5	1,454	$1,709,125	$1,176	3	1,824	$2,549,333	$1,398	3	1,824	$2,188,800	$1,200
4B	2	2,242	$2,290,775	$1,022	1	3,514	$5,000,000	$1,423	1	3,514	$4,568,200	$1,300
TOT/AVG.	**89**	**785**	**$706,737**	**$901**	**65**	**717**	**$729,969**	**$1,018**	**65**	**717**	**$620,000**	**$865**

Source: RCLCO

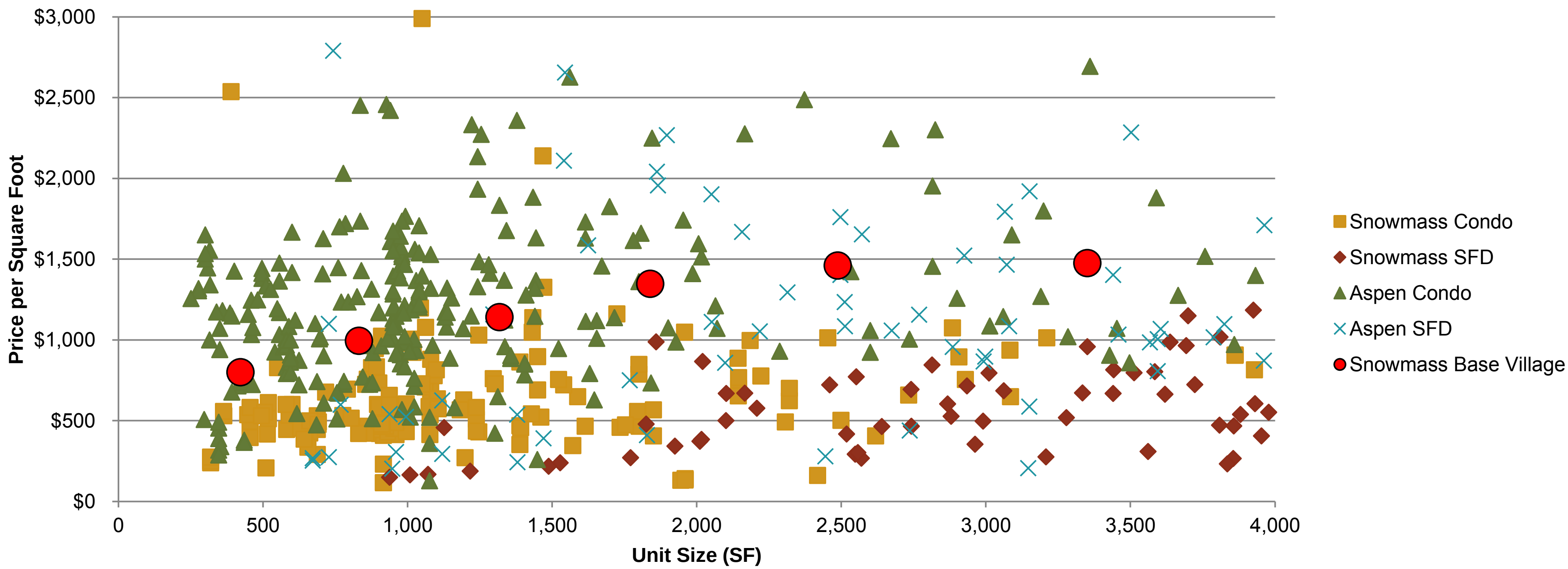
Residential Market Analysis (cont.)

Achievable Pricing and Positioning

We have recommended pricing by building and unit type that is supported by the demand analysis and based on pricing trends throughout the Aspen region, as well as among analogous mountain resort communities in the Western United States. This pricing strategy similarly recognizes that potential mountain resort buyers are seeking larger units leading to higher prices per square foot for larger units (three-, four-, and five-bedroom) relative to smaller unit types (studio, one-, and two-bedroom).

This pricing strategy reflects a premium positioning in Snowmass Village, which is consistent with the historical performance of new product introduced in the local market and if further supported by the repositioning and relaunch of the Snowmass Base Village community that will attract from a wider variety of potential buyers. The recommended pricing would therefore position Snowmass Base Village at the top or above the local Snowmass Village market and consistent with the upper end of the Aspen market.

Price per Square Foot to Size Relationship
Future Development in Snowmass Base Village vs. Recent Sales in Snowmass and Aspen
2016 Dollars



Source: Pitkin County Assessor; RCLCO

Residential Market Analysis (cont.)

Statutory Actual Values

According to the Pitkin County Assessor, "the actual value assigned to residential properties is based on sales that occurred in the 24-month period from July 1, 20xx to June 30, 20xx (even years). For example, the 2015 and 2016 valuation years will use sales data from the time frame of July 1, 2012 to June 30, 2014." For the purposes of this analysis, we estimated SAV for each building according to a four-stage valuation cycle:

A. Before construction of the building is complete, the SAV are calculated as the Permit Value (hard cost of construction) multiplied by the percent complete as of January 1 of each year, plus existing value of the land.

B. In the first year following completion of each building, the SAV will be calculated based on sales comparables over a two year "look back" period. To simplify this analysis we estimate that Statutory Actual values during this stage of the cycle will be approximately 90% of the full market price, which is based on an analysis of historical home price growth and a comparison of recent sales to current SAV.

   - Condominium price growth in Snowmass Village has averaged 3.4% for 2000 to 2015, which implies that SAV could be 7% below current sales prices given the two year "look back" methodology.
   - An analysis of sale prices and reported statutory actual values for condominiums sold in 2016 in Snowmass Village shows that these units achieve a statutory actual value that is on average approximately 12% below the recorded sale price. This discount increases as the home price increases such that properties sold for more than $500,000 receive a discount of 14% (see Exhibit I-3C).

C. The next assessment cycle is when sales of each new unit will be included in the comparable sales set and the SAV will reset to the market value, or sales price, achieved during the "look back" period.

D. Each building will have stabilized and SAV is projected to grow by the price appreciation for sales in the local condominium market.

Because the Pitkin County Assessor reassesses statutory actual values on a bi-annual basis, there is a two-year lag between price growth in the residential market and price growth for statutory actual values. As a result, statutory actual values are expected to increase by 4.7% in 2018 and by 10.3% in 2020 and 2022. Beginning in 2024, price growth is expected to stabilize at the expected long-term rate of 6.1%.

Estimated Residential Statutory Actual Values by Building (2016 $)
Snowmass Base Village

		MARKET VALUE (SALE PRICE)				
BUILDING	TOTAL HARD COST	VACATION CONDOS	EMPLOYEE HOUSING	TOTAL	DISCOUNT FOR SAV	SAV UPON COMPLETION
4AB/5	$18,770,000	$32,940,000	$500,000	$33,440,000	90%	$30,100,000
7/8	$54,800,000	$118,080,000	$780,000	$118,860,000	90%	$106,970,000
13B	$37,960,000	$76,930,000	$1,270,000	$78,200,000	90%	$70,380,000
Fanny Hill	$17,060,000	$38,200,000	$140,000	$38,340,000	90%	$34,510,000
11/12	$61,550,000	$130,950,000	$260,000	$131,210,000	90%	$118,090,000
10A	$58,300,000	$104,720,000	$660,000	$105,380,000	90%	$94,840,000
10B	$34,940,000	$63,000,000	$460,000	$63,460,000	90%	$57,110,000

Source: Pitkin County Assessor; East West Partners; RCLCO

Residential Market Analysis (cont.)

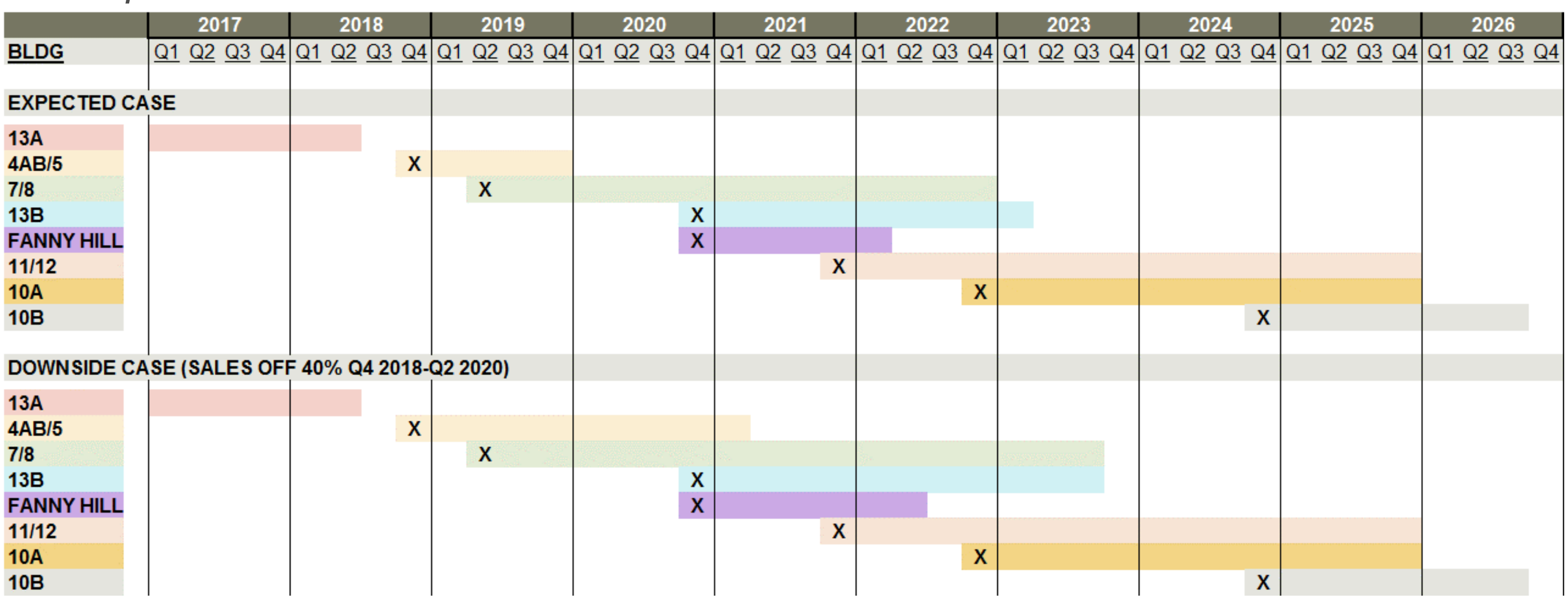
Absorption Analysis and Timeline

RCLCO has completed two absorption analyses for the remaining units at Snowmass Base Village that builds on the absorption potential derived from our analysis and the developer's business plan for the future development: an expected case, and a downside case.

- *Expected Case (Exhibit I-10A)* – The resulting timelines from the expected case projects that the Snowmass Village market will stabilize in early 2018 after selling the remaining Viceroy inventory and beginning construction of new condominium buildings. Units would be absorbed consistent with supply by unit type and price point, as informed by the demand analysis, achieving build-out in 2026. Annual price growth in this scenario is projected to average 5% during the relaunch and delivery of new product, and stabilize at 3% per year starting after 2020.

- *Downside Case (Exhibit I-10B)* – The downside case assumes that the market will be impacted by a future downturn in the broader real estate market cycle. Although the exact timing of a potential downturn is unknown, we have assumed that sales could slow by approximately 40% to 60% between the middle of 2018 and the middle of 2020, after which the market would rebound to stabilized levels. Price growth should similarly range between 3% and 5%; however, it would likely stagnate or turn negative during the projected downturn between 2018 and 2020.

Projected Absorption Timelines



Note: "X" indicates quarter of delivery.

Source: East West Partners; RCLCO

RCLCO

Residential Market Analysis (cont.)

National Vacation Home Trends - Real Estate Cycle

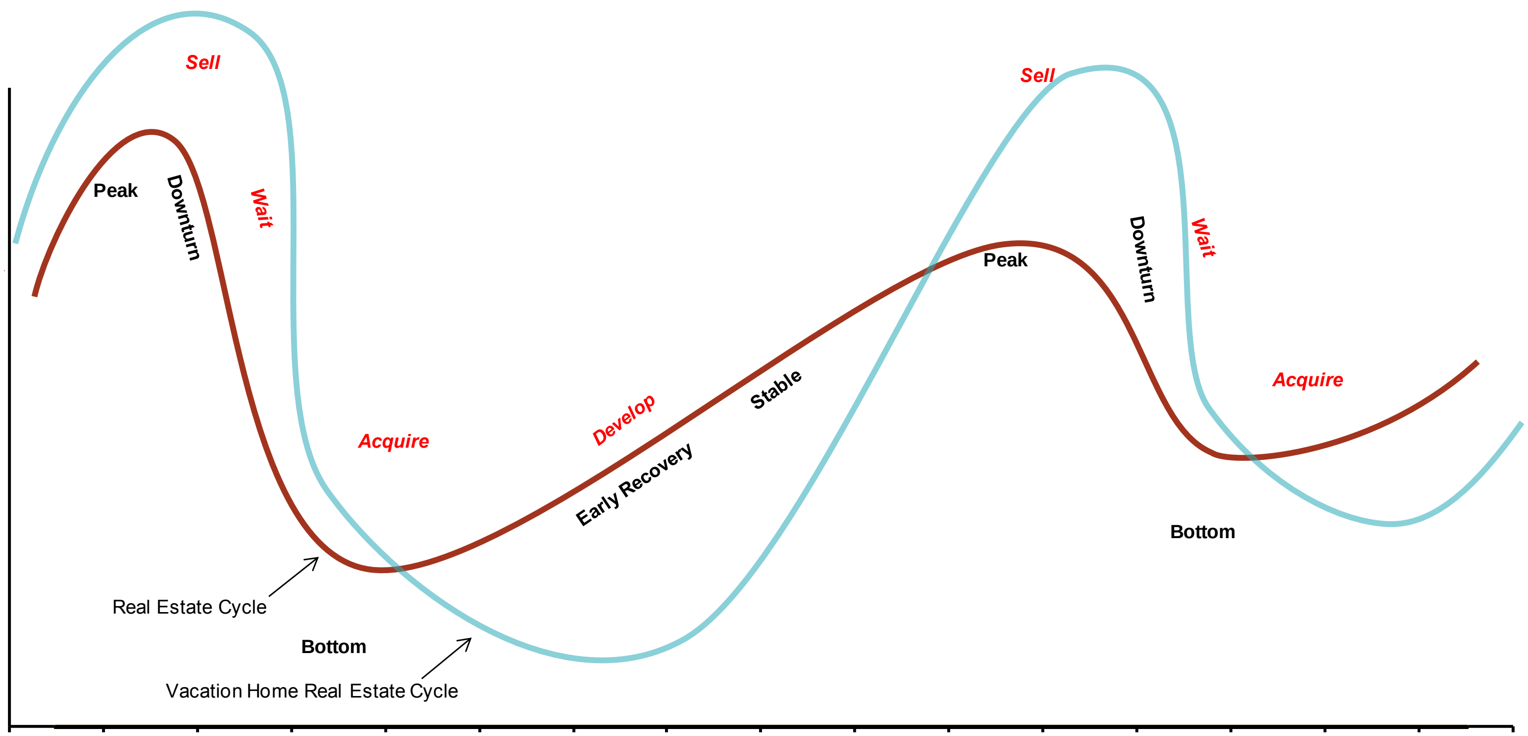
Typically, real estate cycles are closely related to economic cycles. Each cycle, whether an economic or a real estate cycle, is caused by different factors, but cycles nonetheless appear to be inevitable.

While most of the long-term projections presented herein are expressed in terms of long-term averages, it is important to recognize that actual market activity is most likely to behave in a cyclical fashion, as illustrated below. Long-term demand and pricing fluctuate based upon cycle stage above or below the long term averages.

For example, the new home market is currently in the Stable stage. We are confident that Peak conditions, followed by a Downturn, will occur once again, although the timing for the market's movement from one stage of the cycle to the next is difficult to predict.

Considering the second home market experiences even more significant cyclicality than the broader market, we recommend closely monitoring the local and national cycle for vacation homes.

Real Estate Cycle



Source: RCLCO

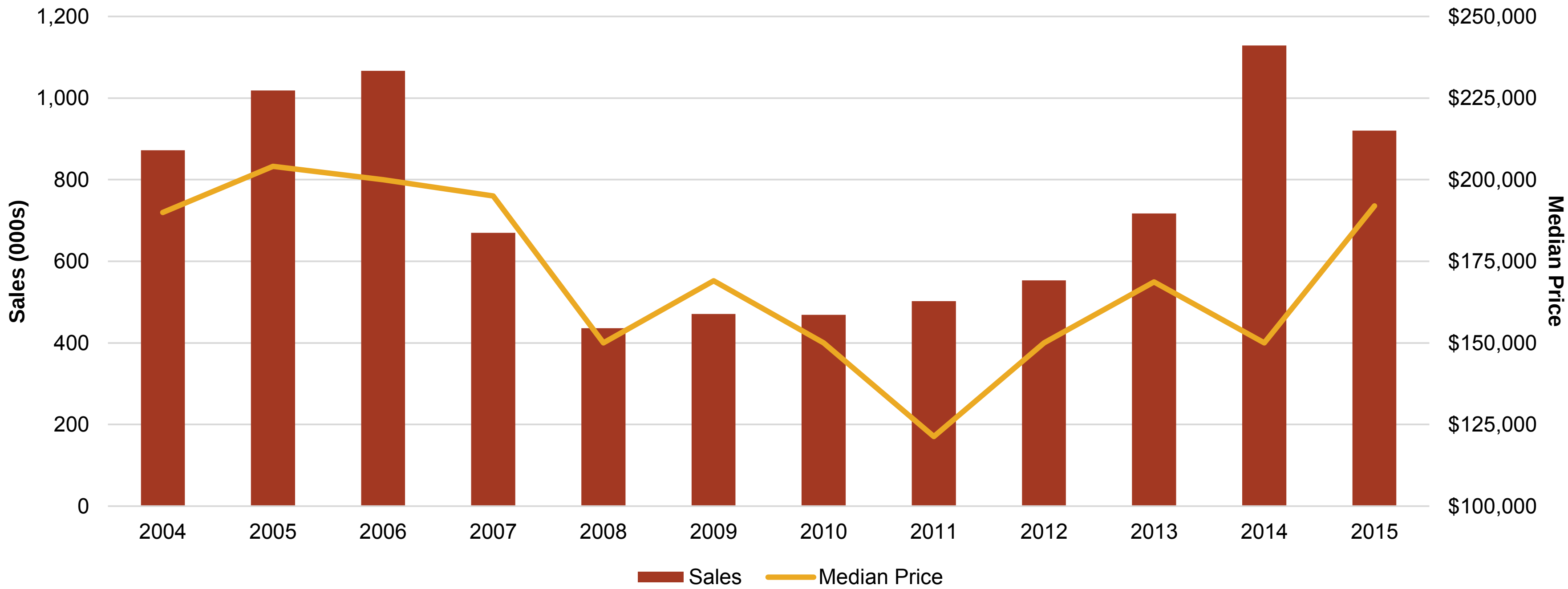
Residential Market Analysis (cont.)

Vacation Market Overview

Nationally, the vacation home sales pace has largely recovered from the Great Recession. While sales in 2015 declined by 19% over 2014, vacation home pricing increased by 28% and is approaching the previous peak. Most of the sales volume is resale activity, as there has been relatively limited construction of new vacation home product since the downturn.

The recovery of the vacation home market however is responding to new trends and consumer preferences, driven largely by changing demographics. As stated in the 2015 Resonance Recreational Real Estate Report, "[Potential buyers] are looking for adventures that get them out of their comfort zone, but want it paired with the pampering of a luxury hotel. Safety is of paramount importance and they are interested in private, gated communities, yet they say they value 'living like the locals do' while on vacation. Reconciling these varied aspirations from a service perspective and creating destinations and products that successfully deliver a new take on luxury will be the hallmark of successful resort communities in the future."

Primary, Vacation, and Investment Home Sales and Median Price in the United States 2004-2015



Source: 2016 NAR Vacation and Investment Home Buyers Survey; RCLCO

Residential Market Analysis (cont.)

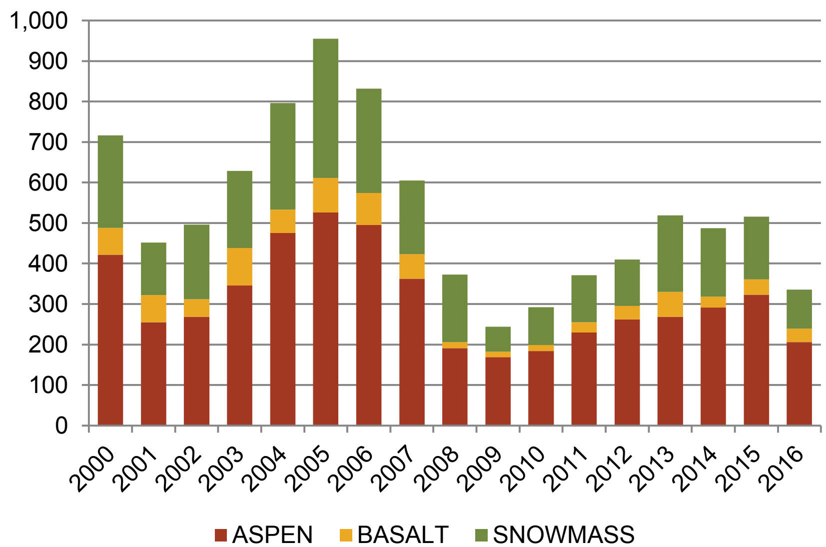
Local Market Trends – Transaction Volume

After bottoming at 244 transactions in 2009 as a result of the Great Recession, the greater Aspen residential market has experienced a slow, but steady, recovery to 516 transactions in 2015. This activity remains well below the pre-recession peak of 955 sales in 2005, despite growing demand for vacation homes, particularly from high-net worth households. Despite slowing sales in 2016, we project that the Aspen market is headed for relatively more stability given strong long-term demand trends and fundamentals for the high-end vacation home buyer.

Sales levels in Snowmass Village and the greater Aspen region are strongly correlated. Snowmass Village typically accounts for one-quarter to two-fifths of all activity in the Aspen region. However, the condo market in Snowmass Village experiences greater volatility, especially when new product is delivered.

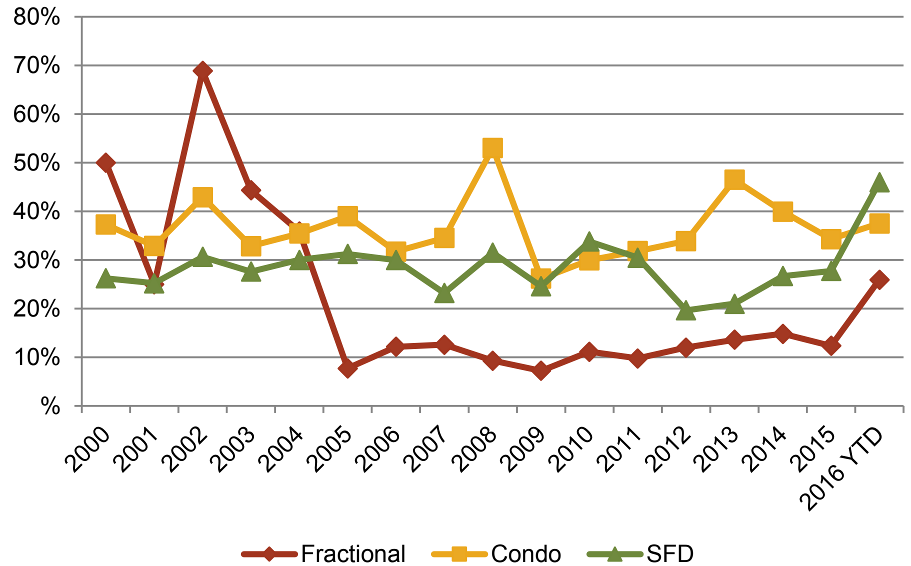
While the market has experienced a slowdown from 2015 levels, there likely remains pent-up demand for new product. As new projects such as Snowmass Base Village are delivered, sales activity has the potential to stabilize through the long-term, particularly considering the current product gap we believe exists in the local market in terms of larger units, higher finish level, fully serviced and amenitized/ski-in condominium product.

Volume of SFD and Condo Transactions
Aspen, CO Region, 2000-2016



Note: 2016 data is annualized.
Source: Pitkin County Assessor; RCLCO

Snowmass Village Capture of Aspen Region Transactions by Product Type
Aspen, CO Region, 2000-2016 YTD



Note: YTD as of September 1, 2016.
Source: Pitkin County Assessor; RCLCO

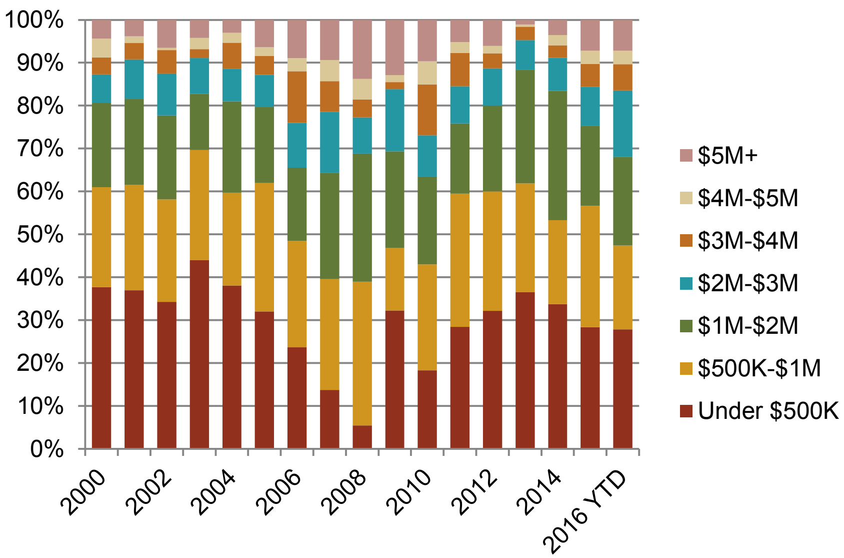
Residential Market Analysis (cont.)

Local Market Trends – Price Trends

Condominium prices in Snowmass Village and the Aspen region have grown by 3.4% and 4.7%, respectively, since 2000, including the significant declines in 2007 to 2010. Pricing for single-family homes, however, has been more consistent between the two markets, growing by an average of 4.5% per year in both Snowmass Village and Aspen.

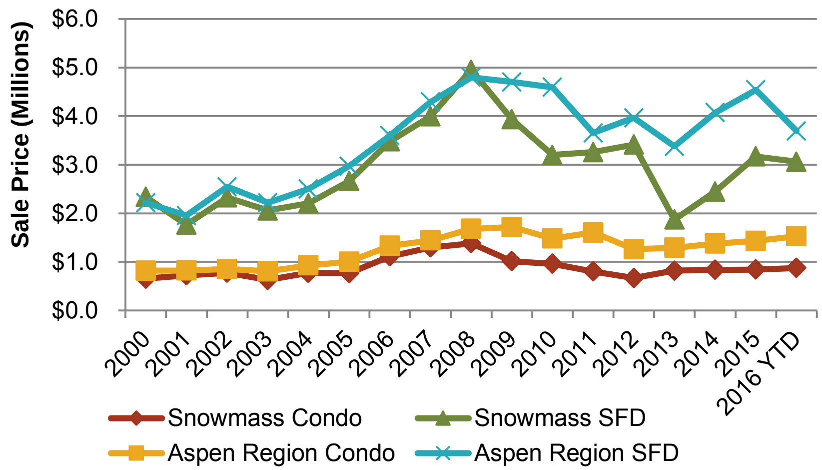
Similar to lower price growth in Snowmass Village, sales prices for condominiums and single-family homes in Snowmass Village have been priced approximately 28% and 15% below comparable product in Aspen, respectively, since 2000. While the gap has been growing in recent years, the introduction of new product with the continued development of Snowmass Base Village offers the potential to narrow this gap over time.

Distribution of Condo and SFD Transactions by Price
Snowmass Village, CO, 2000-2016 YTD

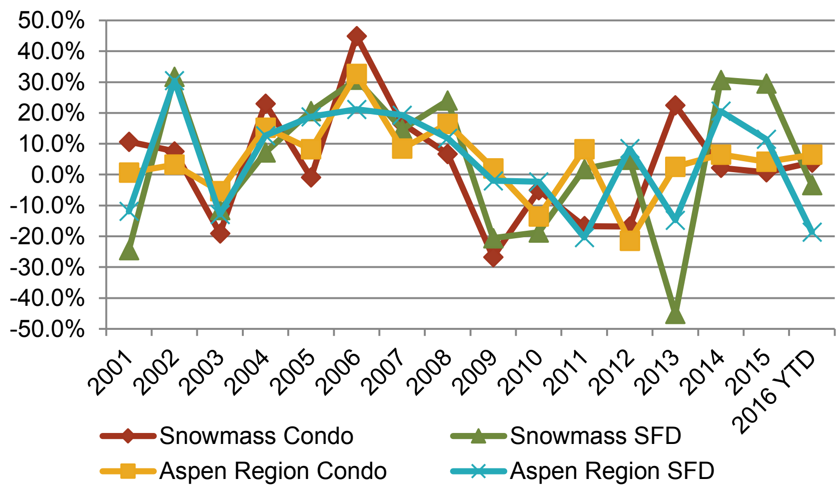


Note: YTD as of September 1, 2016
Source: Pitkin County Assessor; RCLCO

Average Sales Price by Location and Type
Aspen, CO Region, 2000-2016 YTD



Average Sales Price Growth by Location and Type
Aspen, CO Region, 2001-2016 YTD



Note: YTD as of September 1, 2016
Source: Pitkin County Assessor; RCLCO

Residential Market Analysis (cont.)

Fractional Market Overview – National Trends

Relative to the broader vacation home market, shared ownership has been slower to recover from the recession, both in terms of volume as well as in price. According to Ragatz Associates, shared ownership includes:

- *Fractionals* – Product selling for less than $1,000 per square foot
- *Private Residence Clubs* – Product selling for more than $1,000 per square foot
- *Destination Clubs* – Typically sells 30-year memberships on a non-equity basis in a wide network of vacation homes in multiple locations

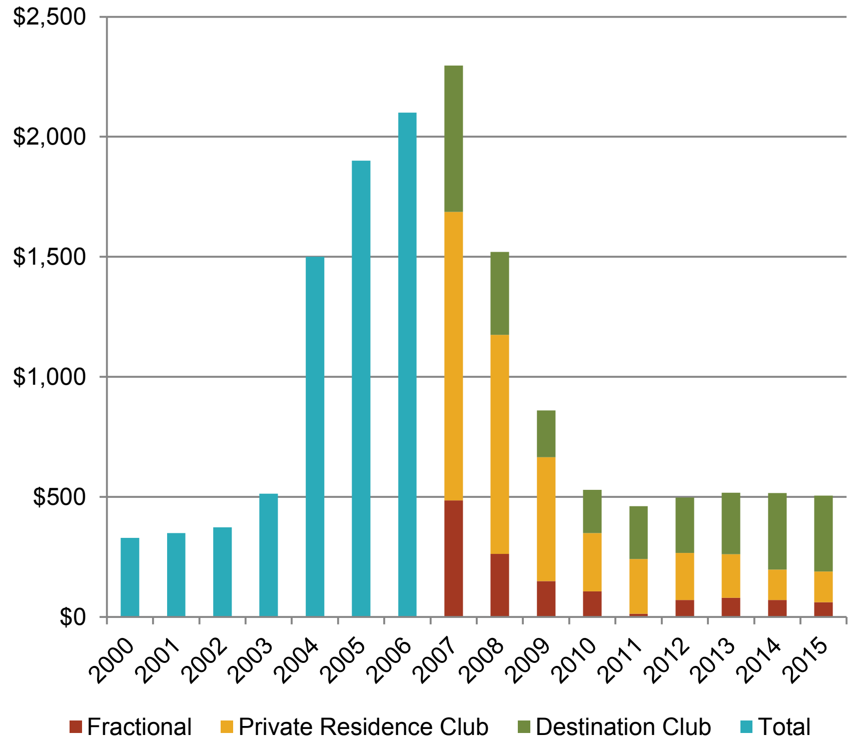
This analysis focuses on Fractionals and Private Residence Clubs, which are most relevant with respect to the subject site.

In 2015 the number of fractional and PRC shares sold in North America was 1,150, just over one-sixth of the pre-recession peak of 6,450 shares sold in 2007. The sales in 2015 occurred in 62 different projects across North America, translating to approximately 20 sales per project. The average annual shares sold between 2003 and 2008 was 5,075, substantially higher than the 1,750 shares sold annually between 2009 and 2015.

Prices for fractional and PRC shares also dropped significantly between 2008 and 2012, with the average price per square foot of fractional/PRC units falling from $1,215 to $830. While prices increased to $910 per square foot in 2013, they have since continued to decline, with the average price per unit at $865 per square foot in 2015.

North American fractional and private residence club sales volume reached a pre-recession peak of $1,687 million in 2007 and bottomed out in 2011 at $241 million. The total sales volume rebounded from the 2011 trough to approximately $260 million in 2013, but has been steadily declining since then, and was $190 million in 2051. The drop in sales volume after the recession can be attributed to less buyer interest, lack of available financing, lower unit/share prices, and limited new supply additions. Since the most recent data, the overall market has experienced a lukewarm recovery and sales are still significantly below the levels experienced before the recession. Given the decreases in both sales volume and price, the national market appears to have leveled out at pre-peak levels.

Annual Shared Ownership Sales Volume (in Millions)
North America, 2000-2015



Source: Ragatz Associates 2016 Shared-Ownership Industry Report

RCLCO

Residential Market Analysis (cont.)

Fractional Market Opportunity – Snowmass Village

Historically, the Snowmass market has demonstrated strong support for fractional units when the units are offered. The largest fractional project, The Timbers Club, sold out of its 288 shares in just three to four years (including presales). With limited new fractional product being offered since the early 2000s, the Snowmass fractional market was dormant during the last cycle peak.

However, fractional product has continued to be successful in the Aspen market throughout the last cycle, as well as in the past few years. While annualized sales of single-family and condominium units have declined in 2016, sales of fractional intervals have increased by 57% from 2015.

The success of similar, high-end, regional analogue products, such as the Dancing Bear fractional units, which continue to achieve attractive pricing, provides current market evidence suggesting that the market will accept this style of product offering to include both whole ownership and fractional units within the same building.

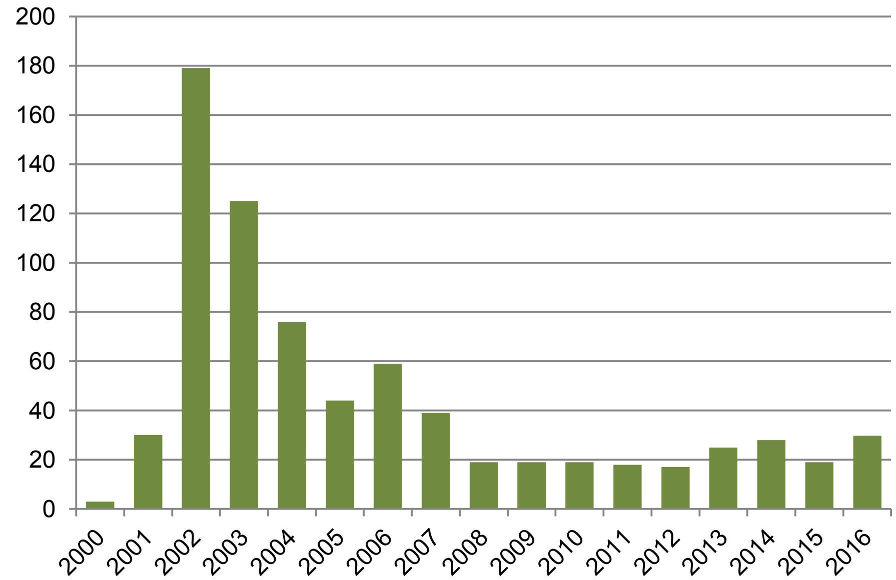
Additionally, the lack of turnover within this type of product in Snowmass indicates that buyers are content with this product type in this market. On average, listings at The Timbers Club stay active for only 160 days, indicating a demonstrated demand for this product type.

Based on the long-term case demand analysis described above, Snowmass Base Village could achieve 12 to 17 interval sales per year, translating to about one unit per year, assuming a 1/10th or 1/12th ownership structure. In the peak case, Snowmass Base Village could achieve 18 to 26 interval sales per year, or one to two units per year. These intervals tend to be consistent across similar ski resorts where owners can have access to their fraction for two to three weeks during the peak season, with the remainder of the time used during the rest of the year.

The experience of recent fractional projects suggests that fractional units should trade at a 25% to 67% premium to whole ownership units, with fractional products in ski resorts typically near the high end of this range. Additionally, marketing and sales costs for fractional units ranges from 20% to 30%, though Snowmass Base Village would likely be at the low end of this range.

In light of the above, offering fractional ownership at Snowmass Base Village presents potential upside for the project, despite the overall decrease in market trends relative to the pre-recession peak. Moreover, the flexibility to shift product back and forth between fractional and whole ownership units is a key variable, and ongoing monitoring of the market, such as taking account of price movements, can help to flex inventory between the offering formats in real time.

Annual Fractional Transactions
Snowmass Village, 2000-2016



Note: 2016 is annualized
Source: Pitkin County Assessor

Hospitality Market Analysis

Hospitality Market Analysis

Supply Trends

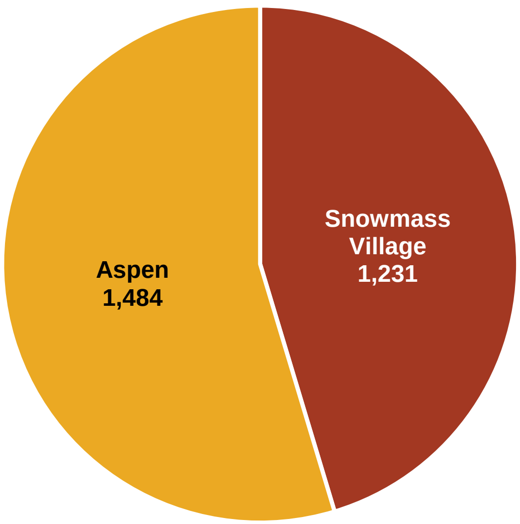
According to Smith Travel Research, the greater Aspen region has a supply of 2,715 hotel rooms distributed across 34 properties (see Exhibit V-4 for the list of hotels included in this survey). The room supply is relatively equally split between Aspen and Snowmass Village, though hotels in Snowmass Village tend to be larger with an average size of 123 rooms per hotel (1,231 rooms across 10 properties) compared to 62 rooms per hotel in Aspen (1,484 hotel rooms across 24 properties). In Snowmass Village, there are 1,231 hotel rooms in 10 properties.

The market for luxury and upper upscale hotel product (as defined by Smith Travel Research; see Exhibit V-5) constitutes a sizable portion of the overall hospitality market in the greater Aspen region. There are 17 high-end (i.e. luxury and upper upscale hotels) in the greater Aspen region, representing half of all properties in the region. These hotels are also larger than lower class properties - on a per room basis, the high-end hotels represents 66% of the market by rooms.

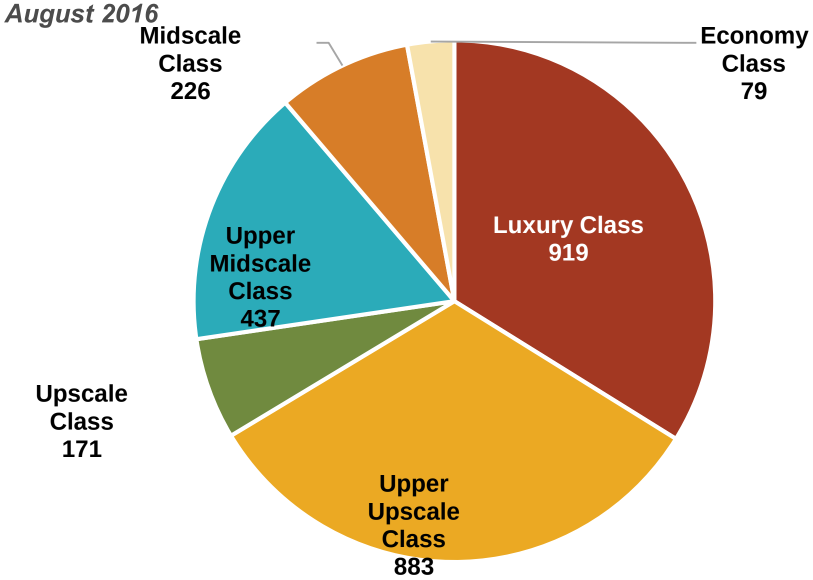
The high-end hotel room supply captures a greater share of the market in Aspen than it does in Snowmass Village – 72% of all hotel rooms in Aspen are in the luxury or upper-upscale classes compared to 59% in Snowmass Village.

Three hotels in the greater Aspen region (The Viceroy in Snowmass Village, The Limelight Hotel in Aspen, and The Innsbruck in Aspen) have been built since 2000. Eight hotels have been renovated since 2000, with the remaining twenty-three hotels representing older supply that opened or underwent renovation before 2000.

Number of Hotel Rooms by City
Greater Aspen Region
August 2016



Number of Hotel Rooms by Class
Greater Aspen Region
August 2016



Source: Smith Travel Research; RCLCO

Hospitality Market Analysis (cont.)

Market Trends

The hospitality market continues to perform well in both the greater Aspen region and Snowmass Village. Visitor spending has increased steadily since 2000 at an average annual rate of 4.4%. In 2015, total visitor spending in Pitkin County peaked at $714 million, representing a 6.9% increase from 2014 (see Exhibit V-1).

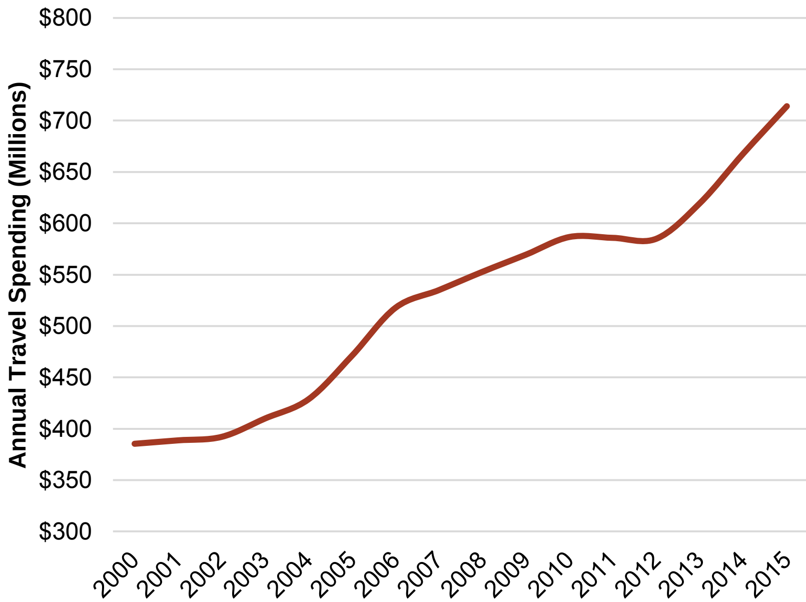
Similarly, annual travel earnings by businesses in Pitkin County have increased by an average of 4.5% since 2000. In 2015, annual travel earnings exceeded $259 million, an 8.3% improvement over 2014 (see Exhibit V-2).

Occupancy rates in the greater Aspen region declined significantly during the Recession, but have since steadily improved from 48% in 2010 to 64% as of August 2016. Occupancy at luxury and upper upscale class hotels in 2016 through August was slightly higher, at 65%, having increased from the 2010 rate of 48%.

Occupancy rates at the Viceroy in Snowmass Base Village have outperformed the rest of the market and were 65% in 2015, above the 58% occupancy rate of all Aspen region hotels and 59% at higher-end hotels.

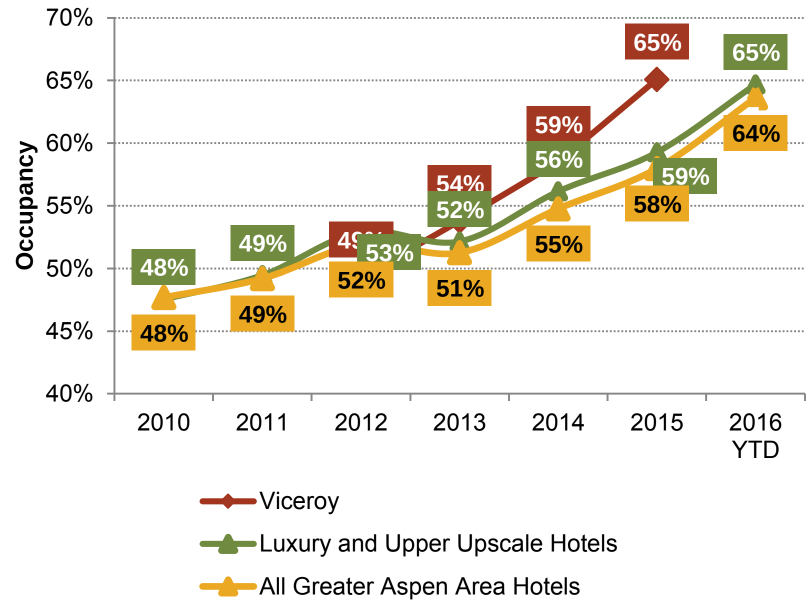
Refer to Exhibits V-6A through V-6F for more details.

Annual Direct Travel Spending, Pitkin County 2000-2015



Source: Colorado Travel Impacts June 2016 Report

Occupancy Rates, Greater Aspen Region 2010-2016 YTD



Note: 2015 data for the Viceroy is through September 2015 and 2016 YTD is through August 2016.
Source: East West Partners; Smith Travel Research; RCLCO

Hospitality Market Analysis (cont.)

Market Trends (cont.)

Driven by the strong tourism demand in Aspen, as evidenced by the growth in traveler spending and rising occupancy rates, average daily rates (ADR) in the greater Aspen region have consistently increased since 2010. ADR at all greater Aspen region hotels has increased by an average of 5.1% per year, rising from $258 in 2010 to $346 as of August 2016. ADR at luxury and upper upscale hotels has grown at a similar pace during this period, 5.7%, and ADR for this segment was $442 in 2016 through August.

ADR at the Viceroy grew by an average of 4.8% per year between 2012 and 2015, however this number is slightly skewed as we do not have data for the end of 2015. The Viceroy has performed at the top of the market – the ADR of $466 per room at the Viceroy is higher than ADR achieved by higher-end hotels ($408) and all area hotels ($325) in 2015.

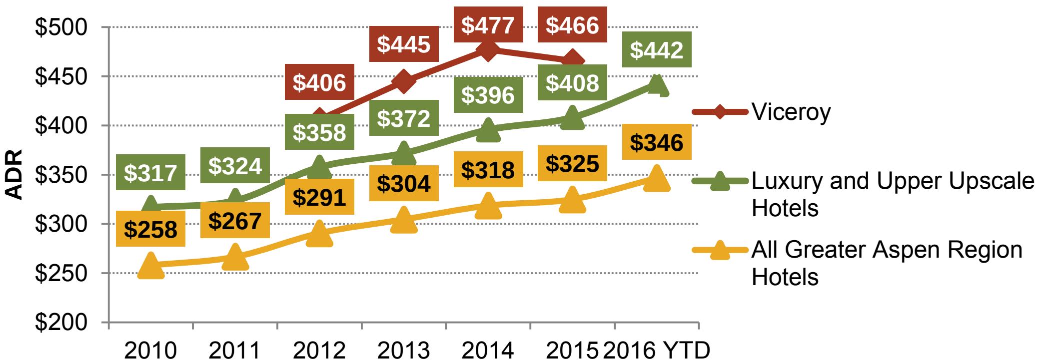
The high occupancy and ADR growth achieved in the market has generated significant growth in Revenue per Available Room (RevPAR). RevPAR at all hotels in the greater Aspen region has increased by an average rate of 10.3% per year, growing from $123 in 2010 to $220 through August 2016. At luxury and upper upscale hotels, RevPAR has risen by 11.4% per year on average, with RevPAR at $286 through August 2016.

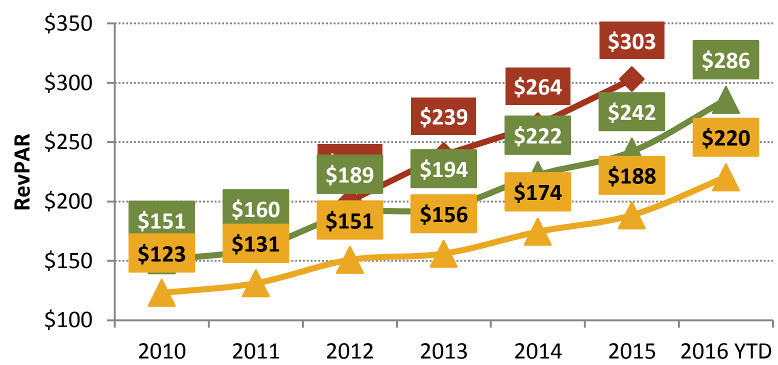
In 2012, the Viceroy achieved a RevPAR of $200, similar to other high-end hotels in the greater Aspen region. However, RevPAR at the Viceroy has increased at a rate of 14.9%, resulting in a 2015 RevPAR of $303 that was 25% higher than comparable luxury and upper upscale hotels.

Refer to Exhibits V-6A through V-6F for more details.

The strong performance of Aspen's hospitality market, particularly for luxury and upper upscale hotels, and the growing tourism demand in the region, provides support for the development of the 102-room Limelight Hotel at Snowmass Base Village. Given the rebranding and revitalization of Snowmass Base Village, we expect the Limelight to achieve performance similar to, if not better than, the existing Viceroy hotel property.

Average Daily Rates and Revenue Per Available Room; Greater Aspen Region; 2010-2016 YTD





Note: 2015 data for the Viceroy is through September 2015 and 2016 YTD is through August 2016.
Source: East West Partners; Smith Travel Research; RCLCO

Hospitality Market Analysis (cont.)

Statutory Actual Values

To understand the statutory actual values for hotels reported by the Pitkin County Assessor, we surveyed four comparable hotels in the greater Aspen region: The Westin Snowmass, Limelight in Aspen, Hotel Jerome in Aspen, and The St. Regis in Aspen. The Viceroy is not included in this analysis as it is considered an aggregation of several properties and it is difficult to distinguish which parcels are part of the hotel versus other uses (condominiums, etc.). On average, the hotels in Aspen were assessed at a SAV of approximately $400,000 per room (see Exhibit I-4C).

To understand the relationship between prices in Aspen and Snowmass Village, we examined the values of residential and commercial properties in Snowmass Village relative to Aspen, which we found to be priced, on average, at a 20% discount. This implies SAV for similar hotels in Snowmass Village would be approximately $320,000 per room, in 2016 dollars.

Applying this relationship to the proposed 102-room Limelight at Snowmass Base Village implies that this property would have a SAV of $32.6 million, in 2016 dollars.

Comparison of Hotel Prices and Statutory Actual Values
Greater Aspen Region

PROPERTY NAME	LOCATION	# OF ROOMS	SALE DATE	SALE PRICE	SALE PRICE PER ROOM	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PER ROOM	WEIGHT [1]
Westin Snowmass	Snowmass Village	254	6/30/2011	$38,750,000	$152,559	$46,216,600	$181,955	0.0%
Limelight	Aspen	126	4/12/2010	$37,925,000	$300,992	$42,429,800	$336,744	33.3%
Hotel Jerome	Aspen	93	2/5/2015	$69,150,000	$743,548	$37,060,100	$398,496	33.3%
St. Regis	Aspen	179	9/1/2010	$70,000,000	$391,061	$82,886,300	$463,052	33.3%
WEIGHTED AVERAGE							**$400,000**	
SNOWMASS VILLAGE DISCOUNT RELATIVE TO ASPEN [2]							**-20%**	
LIMELIGHT SNOWMASS BASE VILLAGE		**102**				**$32,640,000**	**$320,000**	

[1] We found the Westin to be an outlier, and excluded it from our analysis.
[2] Represents the relative value for residential and commercial properties between Aspen and Snowmass Village.
Source: Pitkin County Assessor; RCLCO

Commercial Market Analysis

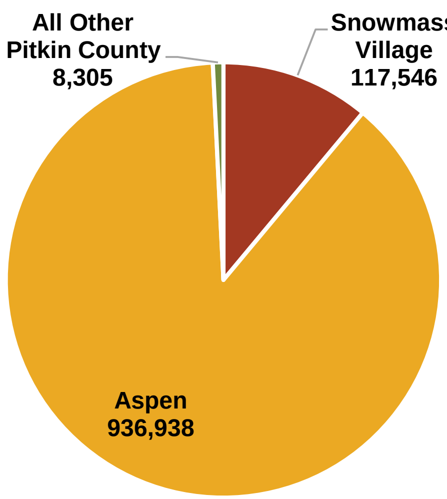
Commercial Market Analysis

Market Trends

Per CoStar Group, Inc., the retail market in Pitkin County comprises approximately 1 million square feet (see Exhibit VI-2). The majority of this retail space in the county is concentrated within an approximately five-by-five block area of Downtown Aspen, a significant amount of which is dedicated to high-end retail outlets catering to the luxury tourism and vacation home market.

Retail in Snowmass Village is especially limited, representing 11% of total retail space in the county, or approximately 120,000 square feet, per CoStar Group, Inc. Retail space in Snowmass Village is largely concentrated in Snowmass Center, Snowmass Village Mall, and Snowmass Base Village. Retail space is generally devoted to mid-market and independent retailers, as well as to ski and sports shops.

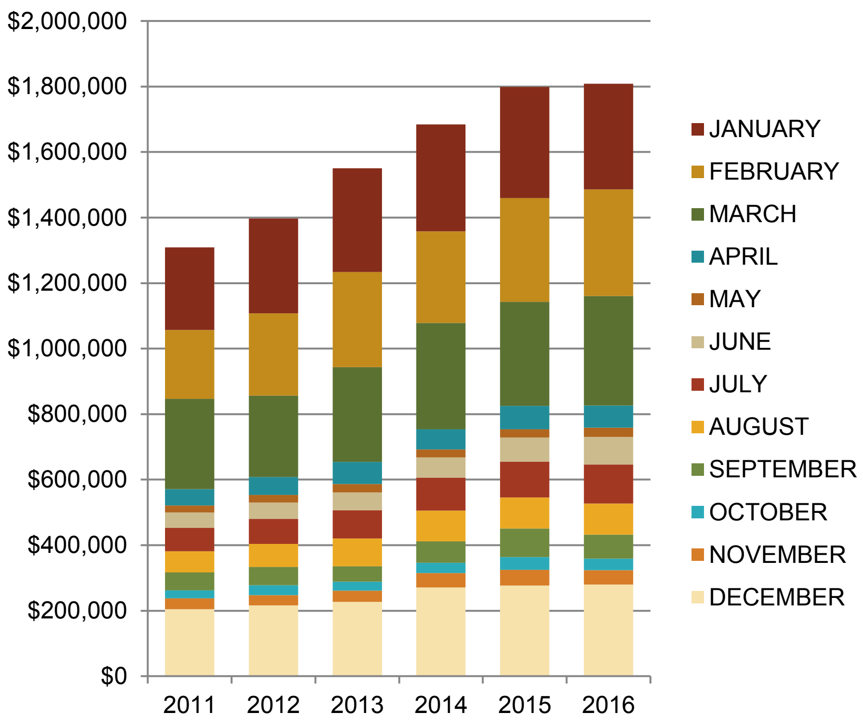
Total Retail Space (SF) by Geography
Greater Aspen Region



Source: CoStar Group, Inc.

Retail demand in Snowmass Village continues to trend upward, based on sales tax revenues for the town. Between 2012 and 2015, sales tax revenues in Snowmass Village have increased by an average of 8.3% per year and annualized sales taxes in 2016 are projected to be slightly above 2015 levels.

Sales Tax Revenues
Snowmass Village, CO
2011-2016



Note: 2016 data for August through December is annualized based on historical distribution by month.
Source: Town of Snowmass Village July 2016 Sales Tax Report

Commercial Market Analysis (cont.)

Retail Demand

In order to evaluate the balance of supply and demand for retail space in Snowmass Village, we examined the relationship between occupied retail space and primary/vacation housing units in Snowmass Village as well as other comparable mountain resort destinations, including Aspen, CO; and Vail, CO. In Snowmass Village, there is 52 square feet of retail for each primary/vacation housing unit in the town. In the other geographies surveyed, the relationship between retail square feet and housing is higher, ranging from 55 square feet per unit in Vail to 158 square feet per unit in Aspen. Based on these metrics for Aspen and Pitkin County, Snowmass Village is potentially experiencing an undersupply of retail, ranging from 70,000 to 240,000 square feet (see Exhibit VI-3).

Furthermore, the sales of the 355 existing and future units in Snowmass Base Village (including employee housing), as well as the 102 hotel rooms, will add incremental demand for retail space in Snowmass Village. Applying the same relationships to these units implies that the new units alone could support the development of 18,000 to 56,000 square feet of new retail space in Snowmass Village.

The current imbalance between supply and demand, as well as future demand generated from continued growth in the local market, is likely more than enough to support the 43,855 square feet of commercial space planned for Snowmass Base Village. Note, this does not include the 9,775 square feet of commercial space in Building 6, which will be a tax-exempt community facility, i.e. not a market-driven use. Furthermore, the developer has already identified and initiated negotiations with potential tenants that are interested in occupying the planned retail space.

Evaluation of Supported Retail Space
Snowmass Village, CO

	SNOWMASS VILLAGE	ASPEN	PITKIN COUNTY	VAIL
RELATIONSHIP BETWEEN RETAIL AND PRIMARY/VACATION HOUSING UNITS				
Occupied Retail Square Feet	117,546	907,887	1,033,738	367,441
Households	1,349	3,715	8,495	2,717
Vacation Homes	903	2,025	3,967	4,011
Total Primary/Vacation Housing Units	2,252	5,740	12,462	6,728
RETAIL SF/HOUSING UNIT	**52**	**158**	**83**	**55**
SUPPORTED RETAIL IN SNOWMASS VILLAGE				
Total Primary/Vacation Housing Units in Snowmass Village	*2,252*	*2,252*	*2,252*	*2,252*
Retail SF/Housing Unit	52	158	83	55
Supported Retail Space	117,546	356,168	186,780	122,978
Existing Occupied Retail Space	*117,546*	*117,546*	*117,546*	*117,546*
Over/(Under) Supply	**0**	**-238,622**	**-69,234**	**-5,432**
SUPPORTED RETAIL FROM NEW UNITS AT SNOWMASS BASE VILLAGE				
Remaining/Future Units	355	355	355	355
Retail SF/Housing Unit	52	158	83	55
Support from Future Development	**18,532**	**56,152**	**29,447**	**19,388**

Source: CoStar Group, Inc.; ESRI Business Analyst; RCLCO

RCLCO

Commercial Market Analysis (cont.)

Statutory Actual Values

To evaluate the statutory actual values supported for the future retail space in Snowmass Base Village, we analyzed the values reported by the Pitkin County Assessor for existing commercial space in Snowmass Base Village. We identified a total of 69 commercial and retail properties in Snowmass Village, many of which are located in or near Snowmass Base Village. Excluding the top and bottom 10% by statutory actual value per square foot, the average SAV reported by the assessor is approximately $290 per square foot (Exhibit I-4D). Applying this value to the future space planned at Snowmass Base Village of 43,855 square feet implies a SAV of $12.7 million, in 2016 dollars.

Selected Comparable Commercial Properties
Snowmass Village, CO

SIZE RANGE	PROPERTIES	AVERAGE SIZE	STATUTORY AVERAGE ACTUAL VALUE	AVERAGE STATUTORY ACTUAL VALUE/SF
SUMMARY BY SIZE (EXCLUDES TOP AND BOTTOM 10% BY VALUE/SF)				
Less than 1,000 SF	14	367	$113,750	$310
1,000 - 5,000 SF	15	681	$195,547	$287
5,000 - 10,000 SF	17	2,173	$516,782	$238
10,000+ SF	9	18,757	$5,570,667	$297
All	55	4,020	$1,153,582	$287

Source: Pitkin County Assessor; RCLCO

Critical Assumptions

Critical Assumptions

Our conclusions are based on our analysis of the information available from our own sources and from East West Partners as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

We assume that the economy and real estate markets will grow at a stable and moderate rate to 2020 and beyond. However, stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when an economic and real estate upturn will end.

With the above in mind, we assume that the long-term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- Economic, employment, and household growth.
- Other forecasts of trends and demographic and economic patterns, including consumer confidence levels.
- The cost of development and construction.
- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth).
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers.
- Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand.
- Major public works projects occur and are completed as planned.

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

General Limiting Conditions

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. The purpose of this study is for inclusion in the offering of bonds by Base Village Metropolitan District #2 to finance future infrastructure development in Snowmass Base Village. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. RCLCO hereby consents to the reproduction oft his report, only in its entirety, including the letter of transmittal (if any), in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum for the Bonds. This study may not be used for any purpose other than that for which it is prepared or for which it is prepared or for which prior written consent has first been obtained from RCLCO.

Appendix: Supporting Exhibits

LIST OF EXHIBITS

I. RESIDENTIAL PRICING AND ABSORPTION

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I. RESIDENTIAL PRICING AND ABSORPTION

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-1

SUMMARY OF ESTIMATED STATUTORY ACTUAL VALUES
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	TIMING		PERMIT VALUE [1]			STATUTORY ACTUAL VALUES			
						RESIDENTIAL		COMMERCIAL [4]	
	CONSTRUCTION START YEAR	DELIVERY YEAR	RESIDENTIAL	COMMERCIAL	TOTAL	INITIAL [2]	STABILIZED [3]	HOTEL	COMMERCIAL
4AB/5	2017	2018	$18,770,000	$3,270,000	$22,040,000	$30,100,000	$33,440,000	$32,640,000	$6,870,000
7/8	2017	2019	$54,800,000	$1,630,000	$56,430,000	$106,970,000	$118,860,000	$0	$4,080,000
13B	2019	2020	$37,960,000	$0	$37,960,000	$70,380,000	$78,200,000	$0	$0
Fanny Hill	2019	2020	$17,060,000	$0	$17,060,000	$34,510,000	$38,340,000	$0	$0
11/12	2020	2021	$61,550,000	$0	$61,550,000	$118,090,000	$131,210,000	$0	$0
10A	2021	2022	$58,300,000	$2,140,000	$60,440,000	$94,840,000	$105,380,000	$0	$1,760,000
10B	2023	2024	$34,940,000	$0	$34,940,000	$57,110,000	$63,460,000	$0	$0

NOTE: All values are presented in 2016 dollars.

[1] The permit value is estimated to equal the hard cost of construction. During construction, the Pitkin County Assessor will assess each building based on the percent complete as of January 1 each year multiplied by the permit value.

[2] Upon completion, estimated statutory actual values for residential properties are estimated to equal 90% of the market value of the property. This is based on an analysis of historical sales price growth, which has averaged 3.4% per year since 2000, and an evaluation of actual values for recently sold properties, which on average have actual values of 86% of their market value, i.e. sale price.

[3] The stabilized statutory actual values will eventually equal the market value, i.e. sale price, of the units.

[4] Upon completion, this analysis assumes statutory actual values for commercial space will be consistent with actual values for comparable commercial space in Snowmass Village. This analysis assumes a statutory value of $320,000 per hotel room and $290 per square foot of retail space. RCLCO's analysis excludes the 9,775 square feet of commercial space in Building 6, which will be a tax-exempt community facility.

SOURCE: Pitkin County Assessor; East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-2

PROJECTED ESCALATION RATES FOR STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2015-2026

	RESIDENTIAL		COMMERCIAL	
YEAR	PRICE GROWTH (SNOWMASS VILLAGE CONDO MARKET)	STATUTORY ACTUAL VALUE GROWTH APPRECIATION (TWO YEAR LAG)	VALUE GROWTH (EMPLOYEE HOUSING AND COMMERCIAL SPACE)	STATUTORY ACTUAL VALUE GROWTH APPRECIATION (TWO YEAR LAG)
2015	*0.8%*		3.0%	
2016	*3.9%*		3.0%	
2017	5.0%	4.7%	3.0%	6.1%
2018	5.0%		3.0%	
2019	5.0%	10.3%	3.0%	6.1%
2020	5.0%		3.0%	
2021	3.0%	10.3%	3.0%	6.1%
2022	3.0%		3.0%	
2023	3.0%	6.1%	3.0%	6.1%
2024	3.0%		3.0%	
2025	3.0%	6.1%	3.0%	6.1%
2026	3.0%		3.0%	

SOURCE: Pitkin County Assessor; RCLCO

RCLCO
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-3A

SUMMARY OF ESTIMATED RESIDENTIAL STATUTORY ACTUAL VALUES
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	TIMING		PERMIT VALUE (CONSTRUCTION COST)			VACATION CONDOS					EMPLOYEE HOUSING					COMBINED VALUE		
BUILDING	CONSTRUCTION START YEAR	DELIVERY YEAR	GROSS RESIDENTIAL SF [1]	HARD COST/SF	TOTAL COST	UNITS	AVG. SIZE	$/SF	MARKET VALUE	TOTAL MARKET VALUE	UNITS	AVG. SIZE	$/SF	MARKET VALUE	TOTAL MARKET VALUE	TOTAL MARKET VALUE	DISCOUNT FOR ACTUAL VALUE [2]	STATUTORY ACTUAL VALUE UPON COMPLETION
4AB/5	2017	2018	46,153	$407	$18,770,000	18	1,573	$1,163	$1,830,000	$32,940,000	2	1,006	$250	$251,500	$500,000	$33,440,000	90%	$30,100,000
7/8	2017	2019	139,046	$394	$54,800,000	41	2,095	$1,375	$2,880,000	$118,080,000	4	777	$250	$194,100	$780,000	$118,860,000	90%	$106,970,000
13B	2019	2020	105,036	$361	$37,960,000	49	1,278	$1,229	$1,570,000	$76,930,000	7	728	$250	$182,000	$1,270,000	$78,200,000	90%	$70,380,000
Fanny Hill	2019	2020	36,425	$468	$17,060,000	10	2,388	$1,600	$3,820,000	$38,200,000	1	550	$250	$137,500	$140,000	$38,340,000	90%	$34,510,000
11/12	2020	2021	165,197	$373	$61,550,000	45	2,112	$1,378	$2,910,000	$130,950,000	2	515	$250	$128,800	$260,000	$131,210,000	90%	$118,090,000
10A	2021	2022	147,920	$394	$58,300,000	68	1,282	$1,201	$1,540,000	$104,720,000	3	877	$250	$219,200	$660,000	$105,380,000	90%	$94,840,000
10B	2023	2024	94,870	$368	$34,940,000	42	1,279	$1,173	$1,500,000	$63,000,000	2	918	$250	$229,500	$460,000	$63,460,000	90%	$57,110,000

NOTE: All values are presented in 2016 dollars.

[1] The square footage quoted above includes the area for the garage in each building.

[2] Upon completion, estimated statutory actual values for residential properties are estimated to equal 90% of the market value of the property. This is based on an analysis of historical sales price growth, which has averaged 3.4% per year since 2000, and an evaluation of actual values for recently sold properties, which on average have actual values of 86% of their market value, i.e. sale price.

SOURCE: Pitkin County Assessor; East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-3B

ESTIMATED RESIDENTIAL STATUTORY ACTUAL VALUES BY BUILDING (MILLIONS)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, CO
2017-2026

VALUATION "LIFECYCLE"

Per the Pitkin County Assessor, "The actual value assigned to residential properties is based on sales that occurred in the 24-month period from July 1, 20xx to June 30, 20xx (even years). For example, the 2015 and 2016 valuation years will use sales data from the time frame of July 1, 2012 to June 30, 2014."

STAGES OF THE CYCLE

A	This represents the value of the property before construction is complete. The Statutory Actual Value is calculated as the Permit Value (hard cost of construction) multiplied by the percent complete as of January 1 of each year, plus the existing value of the land.
B	This represents the first year following completion of the building. Based on an analysis of sales comparables over a two year period prior to current values, the Statutory Actual Value is calculated as a percent of the market value for the previous year or two years depending on the timing within the two-year valuation cycle.
C	The next assessment stage is when sales at each building will be included in the comparable sales set and the Statutory Actual Value will reset to the market value, or sales price, achieved during the "look back" period.
D	The building will have stabilized and Statutory Actual Values are estimated as the previous values inflated by price appreciation for comparable sales in the residential market (for this analysis, all values are presented in 2016 dollars).

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
VALUATION METHODOLOGY										
4AB/5	A	A	B	B	C	C	D	D	D	D
7/8	A	A	A	B	C	C	D	D	D	D
13B	A	A	A	A	B	B	C	C	D	D
Fanny Hill	A	A	A	A	B	B	C	C	D	D
11/12	A	A	A	A	A	B	C	C	D	D
10A	A	A	A	A	A	A	B	B	C	C
10B	A	A	A	A	A	A	A	A	B	B
PERCENT COMPLETE										
4AB/5	0%	50%	100%	100%	100%	100%	100%	100%	100%	100%
7/8	0%	39%	91%	100%	100%	100%	100%	100%	100%	100%
13B	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%
Fanny Hill	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%
11/12	0%	0%	0%	0%	50%	100%	100%	100%	100%	100%
10A	0%	0%	0%	0%	0%	50%	100%	100%	100%	100%
10B	0%	0%	0%	0%	0%	0%	0%	50%	100%	100%
ESTIMATED RESIDENTIAL STATUTORY ACTUAL VALUE (MILLIONS)										
4AB/5	$0.0	$9.4	$30.1	$30.1	$33.4	$33.4	$33.4	$33.4	$33.4	$33.4
7/8	$0.0	$21.4	$50.0	$107.0	$118.9	$118.9	$118.9	$118.9	$118.9	$118.9
13B	$0.0	$0.0	$0.0	$19.0	$70.4	$70.4	$78.2	$78.2	$78.2	$78.2
Fanny Hill	$0.0	$0.0	$0.0	$8.5	$34.5	$34.5	$38.3	$38.3	$38.3	$38.3
11/12	$0.0	$0.0	$0.0	$0.0	$30.8	$118.1	$131.2	$131.2	$131.2	$131.2
10A	$0.0	$0.0	$0.0	$0.0	$0.0	$29.2	$94.8	$94.8	$105.4	$105.4
10B	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$17.5	$57.1	$57.1

NOTE: All values are presented in 2016 dollars.
SOURCE: Pitkin County Assessor; East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-3C

COMPARISON OF RECENTLY SOLD CONDOMINIUM SALE PRICES AND STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2014-2016 YTD

SALE PRICE RANGE	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2016 YTD				
Less than $1M	2016	$514,191	$480,244	-6.6%
$1M - $2M	2016	$1,295,861	$1,141,400	-11.9%
$2M - $3M	2016	$2,371,917	$1,964,417	-17.2%
$3M+	2016	$3,200,000	$2,638,400	-17.6%
All	2016	$945,548	$832,858	-11.9%
Less than $500k	**2016**	**$363,382**	**$373,459**	**2.8%**
$500k+	**2016**	**$1,228,314**	**$1,055,994**	**-14.0%**

ACCOUNT NUMBER	ADDRESS	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2014-2016 YTD					
R010102	294 SNOWMASS CLUB CIR Unit # 1209	9/1/2016	$1,050,000	$1,015,000	-3.3%
R011915	229 FARAWAY RD Unit # 28	8/31/2016	$1,150,000	$894,300	-22.2%
R002781	35 UPPER WOODBRIDGE RD Unit # 16AB	8/31/2016	$535,000	$471,400	-11.9%
R020850	110 CARRIAGE WY Unit # 3301	8/29/2016	$850,000	$794,100	-6.6%
R008418	55 UPPER WOODBRIDGE RD Unit # K6	8/26/2016	$763,000	$610,100	-20.0%
R010585	99 NORTH RIDGE LN Unit # B	8/8/2016	$1,256,000	$1,028,500	-18.1%
R002655	70 GALLUN LN Unit # 101A	8/5/2016	$430,000	$562,400	30.8%
R009576	366 SNOWMASS CLUB CIR Unit # 6	8/4/2016	$1,445,000	$1,565,000	8.3%
R021526	130 WOOD RD Unit # 13331	8/2/2016	$1,016,100	$771,600	-24.1%
R001909	400 WOOD RD Unit # 1121G	8/1/2016	$660,000	$566,100	-14.2%
R012434	150 SNOWMASS CLUB CIR Unit # 1622	8/1/2016	$635,000	$708,500	11.6%
R002770	600 CARRIAGE WY Unit # K8	8/1/2016	$185,000	$173,600	-6.2%
R002022	400 WOOD RD Unit # 2311H	7/28/2016	$400,000	$480,300	20.1%
R002463	855 CARRIAGE WY Unit # 204	7/13/2016	$1,000,000	$1,091,100	9.1%
R009578	408 COUNTRY CLUB CIR Unit # 8	6/27/2016	$2,887,500	$1,968,900	-31.8%
R002616	35 LOWER WOODBRIDGE RD Unit # Z195	5/12/2016	$430,000	$374,900	-12.8%
R008404	55 UPPER WOODBRIDGE RD Unit # I4	5/10/2016	$600,000	$470,800	-21.5%
R008404	55 UPPER WOODBRIDGE RD Unit # I4	5/10/2016	$600,000	$470,800	-21.5%
R010119	90 VILLAGE BOUND Unit # 19	5/9/2016	$2,000,000	$2,017,900	0.9%
R001558	600 CARRIAGE WY Unit # K5	4/26/2016	$225,000	$173,600	-22.8%
R011398	86 ST ANDREWS CT Unit # 73	4/26/2016	$2,600,000	$1,965,300	-24.4%
R001924	35 UPPER WOODBRIDGE RD Unit # 23AB	4/22/2016	$537,000	$398,800	-25.7%
R008028	154 MEADOW RANCH Unit # F1D	4/22/2016	$720,000	$634,100	-11.9%
R011131	425 WOOD RD Unit # 26	4/21/2016	$2,050,000	$1,011,900	-50.6%
R001571	35 LOWER WOODBRIDGE RD Unit # M147	4/19/2016	$365,000	$283,800	-22.2%
R009965	770 RIDGE RD Unit # 2	4/12/2016	$1,800,000	$1,650,200	-8.3%
R002963	150 CARRIAGE WY Unit # 26	4/12/2016	$330,000	$329,600	-0.1%
R008114	384 MEADOW RANCH Unit # F4D	4/11/2016	$670,000	$666,000	-0.6%
R001666	35 LOWER WOODBRIDGE RD Unit # B107	4/5/2016	$432,000	$391,100	-9.5%
R021495	130 WOOD RD Unit # 13128	3/31/2016	$1,145,000	$809,700	-29.3%
R021592	130 WOOD RD Unit # 13532	3/31/2016	$1,250,000	$921,600	-26.3%
R008420	55 UPPER WOODBRIDGE RD Unit # L2	3/28/2016	$362,000	$301,100	-16.8%
R020242	106 CLUBHOUSE DR Unit # 171	3/24/2016	$1,725,000	$1,595,600	-7.5%
R002220	400 WOOD RD Unit # 1203D	3/17/2016	$397,000	$489,800	23.4%
R002678	855 CARRIAGE WY Unit # 109	3/15/2016	$1,417,375	$1,212,800	-14.4%
R002377	400 WOOD RD Unit # 1219G	3/4/2016	$400,000	$597,200	49.3%

Exhibit I-3C

COMPARISON OF RECENTLY SOLD CONDOMINIUM SALE PRICES AND STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2014-2016 YTD

SALE PRICE RANGE	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2016 YTD				
Less than $1M	2016	$514,191	$480,244	-6.6%
$1M - $2M	2016	$1,295,861	$1,141,400	-11.9%
$2M - $3M	2016	$2,371,917	$1,964,417	-17.2%
$3M+	2016	$3,200,000	$2,638,400	-17.6%
All	2016	$945,548	$832,858	-11.9%
Less than $500k	**2016**	**$363,382**	**$373,459**	**2.8%**
$500k+	**2016**	**$1,228,314**	**$1,055,994**	**-14.0%**

ACCOUNT NUMBER	ADDRESS	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2014-2016 YTD					
R002177	150 CARRIAGE WY Unit # 4	3/2/2016	$280,000	$313,900	12.1%
R001993	35 UPPER WOODBRIDGE RD Unit # 24AB	2/26/2016	$535,000	$461,700	-13.7%
R001993	35 UPPER WOODBRIDGE RD Unit # 24AB	2/26/2016	$535,000	$461,700	-13.7%
R001993	35 UPPER WOODBRIDGE RD Unit # 24AB	2/26/2016	$535,000	$461,700	-13.7%
R021531	130 WOOD RD Unit # 13337	2/12/2016	$348,000	$442,200	27.1%
R002912	55 UPPER WOODBRIDGE RD Unit # E3	2/10/2016	$490,000	$495,800	1.2%
R020930	425 WOOD RD Unit # 60	2/9/2016	$2,483,000	$2,329,500	-6.2%
R001767	35 LOWER WOODBRIDGE RD Unit # J133	1/28/2016	$339,500	$259,100	-23.7%
R012628	600 CARRIAGE WY Unit # L14	1/25/2016	$435,000	$347,200	-20.2%
R020855	110 CARRIAGE WY Unit # 3306	1/25/2016	$895,000	$799,200	-10.7%
R001766	4000 BRUSH CREEK RD Unit # 10	1/20/2016	$725,000	$639,500	-11.8%
R003094	690 CARRIAGE WY Unit # A2B	1/20/2016	$329,000	$333,200	1.3%
R012778	723 SNOWMASS CLUB CIR Unit # 90&91	1/7/2016	$3,200,000	$2,638,400	-17.6%
R013105	381 RIDGE RD Unit # B3	1/7/2016	$2,211,000	$2,493,000	12.8%
R010108	294 SNOWMASS CLUB CIR Unit # 1303	1/6/2016	$525,000	$557,200	6.1%
R021206	60 CARRIAGE WY Unit # 3030	1/6/2016	$985,000	$807,800	-18.0%
R003132	400 WOOD RD Unit # 1103A	12/10/2015	$360,000	$360,200	0.1%
R001863	35 LOWER WOODBRIDGE RD Unit # T169	12/10/2015	$555,000	$423,000	-23.8%
R020867	110 CARRIAGE WY Unit # 3408	12/8/2015	$940,000	$778,100	-17.2%
R002650	690 CARRIAGE WY Unit # D1D	11/30/2015	$525,000	$484,200	-7.8%
R009973	800 RIDGE RD Unit # 10	11/25/2015	$1,400,000	$1,356,200	-3.1%
R002219	690 CARRIAGE WY Unit # A2E	11/12/2015	$500,000	$466,500	-6.7%
R002633	690 CARRIAGE WY Unit # C3F	11/11/2015	$525,000	$525,600	0.1%
R002349	35 UPPER WOODBRIDGE RD Unit # 29CD	11/3/2015	$375,000	$408,700	9.0%
R001718	690 CARRIAGE WY Unit # 306	11/3/2015	$259,000	$310,000	19.7%
R002228	400 WOOD RD Unit # 1313G	10/26/2015	$620,000	$551,700	-11.0%
R002069	400 WOOD RD Unit # 2111H	10/19/2015	$510,000	$566,100	11.0%
R001551	35 LOWER WOODBRIDGE RD Unit # X186	10/15/2015	$525,000	$502,200	-4.3%
R021025	90 CARRIAGE WY Unit # 3220	10/5/2015	$615,000	$681,400	10.8%
R002099	400 WOOD RD Unit # 1206D	9/21/2015	$315,000	$391,500	24.3%
R008297	30 ANDERSON LN Unit # 726	9/17/2015	$87,500	$79,400	-9.3%
R008299	300 CARRIAGE WY Unit # 728	9/17/2015	$87,500	$79,400	-9.3%
R001737	65 CAMPGROUND LN Unit # 80	9/15/2015	$413,000	$458,800	11.1%
R002395	135 CARRIAGE WY Unit # 10	9/14/2015	$480,000	$398,700	-16.9%
R008206	300 CARRIAGE WY Unit # 202	9/11/2015	$76,500	$73,600	-3.8%
R008207	300 CARRIAGE WY Unit # 203	9/11/2015	$80,000	$73,600	-8.0%

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-3C

COMPARISON OF RECENTLY SOLD CONDOMINIUM SALE PRICES AND STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2014-2016 YTD

SALE PRICE RANGE	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2016 YTD				
Less than $1M	2016	$514,191	$480,244	-6.6%
$1M - $2M	2016	$1,295,861	$1,141,400	-11.9%
$2M - $3M	2016	$2,371,917	$1,964,417	-17.2%
$3M+	2016	$3,200,000	$2,638,400	-17.6%
All	2016	$945,548	$832,858	-11.9%
Less than $500k	**2016**	**$363,382**	**$373,459**	**2.8%**
$500k+	**2016**	**$1,228,314**	**$1,055,994**	**-14.0%**

ACCOUNT NUMBER	ADDRESS	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2014-2016 YTD					
R011146	425 WOOD RD Unit # 42	8/25/2015	$350,000	$390,400	11.5%
R002924	600 CARRIAGE WY Unit # K7	8/21/2015	$180,000	$182,300	1.3%
R001539	600 CARRIAGE WY Unit # J8	7/31/2015	$240,000	$192,400	-19.8%
R001736	855 CARRIAGE WY Unit # 404	7/24/2015	$1,300,000	$1,145,700	-11.9%
R011138	425 WOOD RD Unit # 34	7/12/2015	$445,000	$584,400	31.3%
R021201	60 CARRIAGE WY Unit # 3032	7/9/2015	$950,000	$812,200	-14.5%
R012625	600 CARRIAGE WY Unit # K9&10	6/25/2015	$930,000	$784,000	-15.7%
R001530	855 CARRIAGE WY Unit # 307	6/12/2015	$950,000	$849,600	-10.6%
R002120	150 CARRIAGE WY Unit # 31	6/11/2015	$325,000	$328,400	1.0%
R002893	855 CARRIAGE WY Unit # 208	6/5/2015	$740,000	$738,800	-0.2%
R002356	35 UPPER WOODBRIDGE RD Unit # 32AB	6/5/2015	$470,000	$421,500	-10.3%
R001511	35 LOWER WOODBRIDGE RD Unit # R164	6/2/2015	$537,000	$497,200	-7.4%
R011841	476 WOOD RD Unit # 27	6/1/2015	$577,896	$824,100	42.6%
R021503	130 WOOD RD Unit # 13141	5/29/2015	$1,500,000	$1,200,100	-20.0%
R009969	770 RIDGE RD Unit # 6	5/21/2015	$1,900,000	$1,417,200	-25.4%
R009969	770 RIDGE RD Unit # 6	5/21/2015	$1,900,000	$1,417,200	-25.4%
R001506	30 ANDERSON LN Unit # 816	5/21/2015	$485,000	$659,000	35.9%
R008423	55 UPPER WOODBRIDGE RD Unit # L5	5/18/2015	$635,000	$620,100	-2.3%
R002707	35 LOWER WOODBRIDGE RD Unit # L144	5/14/2015	$400,000	$335,500	-16.1%
R002801	690 CARRIAGE WY Unit # B2F	5/13/2015	$325,000	$350,200	7.8%
R002670	65 CAMPGROUND LN Unit # 95	5/13/2015	$550,000	$518,700	-5.7%
R002454	690 CARRIAGE WY Unit # 218	5/12/2015	$193,000	$195,300	1.2%
R002172	640 CARRIAGE WY Unit # 306	5/3/2015	$316,500	$258,600	-18.3%
R008413	55 UPPER WOODBRIDGE RD Unit # K1	5/1/2015	$468,000	$388,000	-17.1%
R021520	130 WOOD RD Unit # 13241	5/1/2015	$1,630,000	$1,201,800	-26.3%
R002617	135 CARRIAGE WY Unit # 31	4/29/2015	$450,000	$465,200	3.4%
R002894	855 CARRIAGE WY Unit # 209	4/24/2015	$1,525,000	$1,231,400	-19.3%
R011923	229 FARAWAY RD Unit # 36	4/20/2015	$750,000	$795,500	6.1%
R009978	810 RIDGE RD Unit # 15	4/15/2015	$1,030,000	$999,700	-2.9%
R021581	130 WOOD RD Unit # 13513	4/13/2015	$765,000	$842,700	10.2%
R011118	425 WOOD RD Unit # 13	4/3/2015	$325,000	$619,600	90.6%
R001765	690 CARRIAGE WY Unit # B3A	3/25/2015	$750,000	$813,900	8.5%
R001692	400 WOOD RD Unit # 2318H	3/20/2015	$650,000	$528,300	-18.7%
R002629	35 CAMPGROUND LN Unit # E4	3/19/2015	$240,000	$216,900	-9.6%
R020862	110 CARRIAGE WY Unit # 3403	3/18/2015	$415,000	$585,400	41.1%
R009601	9 TRAILS END LN Unit # 9	3/13/2015	$3,250,000	$1,826,400	-43.8%

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-3C

COMPARISON OF RECENTLY SOLD CONDOMINIUM SALE PRICES AND STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2014-2016 YTD

SALE PRICE RANGE	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2016 YTD				
Less than $1M	2016	$514,191	$480,244	-6.6%
$1M - $2M	2016	$1,295,861	$1,141,400	-11.9%
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$3M+	2016	$3,200,000	$2,638,400	-17.6%
All	2016	$945,548	$832,858	-11.9%
Less than $500k	**2016**	**$363,382**	**$373,459**	**2.8%**
$500k+	**2016**	**$1,228,314**	**$1,055,994**	**-14.0%**

ACCOUNT NUMBER	ADDRESS	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2014-2016 YTD					
R001694	690 CARRIAGE WY Unit # C1B	3/11/2015	$307,000	$385,800	25.7%
R021548	130 WOOD RD Unit # 13413	3/10/2015	$759,000	$841,900	10.9%
R009179	360 WOOD RD Unit # 312	3/6/2015	$750,000	$794,000	5.9%
R021543	130 WOOD RD Unit # 13408	3/4/2015	$455,000	$441,400	-3.0%
R011855	476 WOOD RD Unit # 45	3/2/2015	$2,000,000	$1,519,100	-24.0%
R021567	130 WOOD RD Unit # 13441	3/2/2015	$3,139,450	$1,354,800	-56.8%
R021568	130 WOOD RD Unit # 13442	3/2/2015	$3,139,450	$969,100	-69.1%
R021506	130 WOOD RD Unit # 13208	2/25/2015	$1,150,000	$1,160,400	0.9%
R021513	130 WOOD RD Unit # 13233	1/28/2015	$742,900	$680,100	-8.5%
R021493	130 WOOD RD Unit # 13124	1/13/2015	$986,667	$296,600	-69.9%
R021497	130 WOOD RD Unit # 13134	1/13/2015	$986,667	$768,500	-22.1%
R021600	130 WOOD RD Unit # 13541	1/13/2015	$1,950,000	$1,357,600	-30.4%
R021539	130 WOOD RD Unit # 13404	12/19/2014	$273,000	$243,600	-10.8%
R003033	35 LOWER WOODBRIDGE RD Unit # U173	12/16/2014	$410,000	$374,500	-8.7%
R001804	55 UPPER WOODBRIDGE RD Unit # A5	12/11/2014	$550,000	$616,800	12.1%
R009178	360 WOOD RD Unit # 212	12/11/2014	$625,000	$668,100	6.9%
R002344	35 UPPER WOODBRIDGE RD Unit # 28AB	12/3/2014	$519,000	$421,500	-18.8%
R001693	30 ANDERSON LN Unit # 802	10/15/2014	$360,000	$508,000	41.1%
R009207	360 WOOD RD Unit # 301	10/8/2014	$1,598,000	$1,589,200	-0.6%
R011919	229 FARAWAY RD Unit # 32	10/3/2014	$800,000	$776,600	-2.9%
R020847	110 CARRIAGE WY Unit # 3209	9/29/2014	$463,500	$491,000	5.9%
R009976	800 RIDGE RD Unit # 13	9/26/2014	$1,125,000	$951,900	-15.4%
R008281	300 CARRIAGE WY Unit # 624	9/23/2014	$64,000	$77,300	20.8%
R011922	229 FARAWAY RD Unit # 35	9/11/2014	$975,000	$1,794,700	84.1%
R002072	35 LOWER WOODBRIDGE RD Unit # U174	9/11/2014	$505,000	$456,200	-9.7%
R008235	300 CARRIAGE WY Unit # 507	9/4/2014	$73,000	$77,300	5.9%
R002387	35 UPPER WOODBRIDGE RD Unit # 6CD	8/29/2014	$420,000	$407,400	-3.0%
R001890	35 UPPER WOODBRIDGE RD Unit # 3AB	8/20/2014	$360,000	$364,500	1.3%
R008422	55 UPPER WOODBRIDGE RD Unit # L4	8/14/2014	$395,000	$438,900	11.1%
R021491	130 WOOD RD Unit # 13114	8/13/2014	$2,231,550	$1,952,600	-12.5%
R009971	770 RIDGE RD Unit # 8	8/7/2014	$1,100,000	$961,500	-12.6%
R011912	229 FARAWAY RD Unit # 25	8/6/2014	$1,037,162	$880,100	-15.1%
R002546	135 CARRIAGE WY Unit # 32	7/11/2014	$450,000	$444,000	-1.3%
R008222	300 CARRIAGE WY Unit # 404	7/7/2014	$73,000	$77,300	5.9%
R002380	35 UPPER WOODBRIDGE RD Unit # 21EF	7/3/2014	$445,000	$475,200	6.8%
R021224	60 CARRIAGE WY Unit # 3325	6/26/2014	$410,000	$430,500	5.0%

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-3C

COMPARISON OF RECENTLY SOLD CONDOMINIUM SALE PRICES AND STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2014-2016 YTD

SALE PRICE RANGE	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2016 YTD				
Less than $1M	2016	$514,191	$480,244	-6.6%
$1M - $2M	2016	$1,295,861	$1,141,400	-11.9%
$2M - $3M	2016	$2,371,917	$1,964,417	-17.2%
$3M+	2016	$3,200,000	$2,638,400	-17.6%
All	2016	$945,548	$832,858	-11.9%
Less than $500k	**2016**	**$363,382**	**$373,459**	**2.8%**
$500k+	**2016**	**$1,228,314**	**$1,055,994**	**-14.0%**

ACCOUNT NUMBER	ADDRESS	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2014-2016 YTD					
R011140	425 WOOD RD Unit # 36	6/26/2014	$650,000	$650,900	0.1%
R021585	130 WOOD RD Unit # 13521	6/26/2014	$781,850	$774,400	-1.0%
R021575	130 WOOD RD Unit # 13507	6/26/2014	$251,100	$302,600	20.5%
R002885	855 CARRIAGE WY Unit # 703	6/16/2014	$730,000	$738,800	1.2%
R002786	855 CARRIAGE WY Unit # 305	6/12/2014	$817,500	$814,500	-0.4%
R011846	476 WOOD RD Unit # 34	6/2/2014	$1,175,000	$1,174,800	0.0%
R009210	360 WOOD RD Unit # 302	5/30/2014	$540,000	$1,040,100	92.6%
R016637	476 WOOD RD Unit # 22&23	5/29/2014	$2,850,000	$2,837,100	-0.5%
R020685	120 CARRIAGE WY Unit # 2301	5/27/2014	$2,500,000	$2,491,300	-0.3%
R001724	35 CAMPGROUND LN Unit # A5&6	5/23/2014	$500,000	$502,300	0.5%
R011117	425 WOOD RD Unit # 12	5/20/2014	$1,200,000	$648,600	-46.0%
R021763	600 CARRIAGE WY Unit # K-A	5/7/2014	$454,705	$432,700	-4.8%
R021507	130 WOOD RD Unit # 13212	4/30/2014	$2,350,000	$1,978,900	-15.8%
R001988	600 CARRIAGE WY Unit # K1	4/29/2014	$190,000	$183,300	-3.5%
R021559	130 WOOD RD Unit # 13432	4/24/2014	$1,329,050	$924,300	-30.5%
R001527	35 LOWER WOODBRIDGE RD Unit # W181	4/22/2014	$392,500	$410,600	4.6%
R021508	130 WOOD RD Unit # 13214	4/21/2014	$1,068,000	$1,031,500	-3.4%
R021562	130 WOOD RD Unit # 13435	4/14/2014	$487,350	$467,100	-4.2%
R001744	600 CARRIAGE WY Unit # J9	4/9/2014	$210,000	$239,600	14.1%
R011136	425 WOOD RD Unit # 32	4/9/2014	$544,000	$641,900	18.0%
R021490	130 WOOD RD Unit # 13110	4/3/2014	$1,134,300	$1,167,200	2.9%
R018675	FARAWAY RD Unit # K2	4/2/2014	$3,750,000	$3,753,200	0.1%
R002536	400 WOOD RD Unit # 3103J	4/1/2014	$400,000	$463,100	15.8%
R021492	130 WOOD RD Unit # 13116	3/31/2014	$1,007,000	$1,029,300	2.2%
R021030	90 CARRIAGE WY Unit # 3317	3/25/2014	$375,000	$440,500	17.5%
R001970	35 UPPER WOODBRIDGE RD Unit # 9AB	3/21/2014	$478,750	$425,700	-11.1%
R001818	55 UPPER WOODBRIDGE RD Unit # B4	3/19/2014	$545,000	$547,700	0.5%
R021511	130 WOOD RD Unit # 13228	3/18/2014	$1,201,000	$895,700	-25.4%
R002480	70 GALLUN LN Unit # 308C	3/11/2014	$1,285,000	$1,009,100	-21.5%
R002517	65 CAMPGROUND LN Unit # 62	3/4/2014	$420,000	$443,500	5.6%
R002199	400 WOOD RD Unit # 2116H	2/28/2014	$1,090,000	$960,900	-11.8%
R001974	400 WOOD RD Unit # 1205D	2/27/2014	$357,000	$391,500	9.7%
R021501	130 WOOD RD Unit # 13138	2/20/2014	$782,800	$416,300	-46.8%
R021502	130 WOOD RD Unit # 13140	2/20/2014	$782,800	$418,600	-46.5%
R001586	400 WOOD RD Unit # 2307B	2/18/2014	$415,000	$480,300	15.7%
R008209	300 CARRIAGE WY Unit # 205	2/14/2014	$71,000	$73,600	3.7%

Exhibit I-3C

COMPARISON OF RECENTLY SOLD CONDOMINIUM SALE PRICES AND STATUTORY ACTUAL VALUES
SNOWMASS VILLAGE, CO
2014-2016 YTD

SALE PRICE RANGE	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2016 YTD				
Less than $1M	2016	$514,191	$480,244	-6.6%
$1M - $2M	2016	$1,295,861	$1,141,400	-11.9%
$2M - $3M	2016	$2,371,917	$1,964,417	-17.2%
$3M+	2016	$3,200,000	$2,638,400	-17.6%
All	2016	$945,548	$832,858	-11.9%
Less than $500k	**2016**	**$363,382**	**$373,459**	**2.8%**
$500k+	**2016**	**$1,228,314**	**$1,055,994**	**-14.0%**

ACCOUNT NUMBER	ADDRESS	SALE DATE	SALE PRICE	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PREMIUM/DISCOUNT
All Condo Sales in Snowmass Village; 2014-2016 YTD					
R021500	130 WOOD RD Unit # 13137	2/14/2014	$758,100	$412,500	-45.6%
R021498	130 WOOD RD Unit # 13135	2/14/2014	$758,100	$412,500	-45.6%
R003117	400 WOOD RD Unit # 3206I	1/31/2014	$305,000	$357,500	17.2%
R001516	30 ANDERSON LN Unit # 632	1/28/2014	$1,050,000	$1,203,600	14.6%
R002643	105 CAMPGROUND LN Unit # 304	1/28/2014	$1,200,000	$1,209,300	0.8%
R002163	150 CARRIAGE WY Unit # 37	1/23/2014	$260,000	$328,400	26.3%
R021564	130 WOOD RD Unit # 13437	1/17/2014	$490,000	$467,900	-4.5%
R002738	400 WOOD RD Unit # 1118G	1/4/2014	$985,000	$851,000	-13.6%

SOURCE: MLS; Pitkin County Assessor; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-4A

SUMMARY OF ESTIMATED COMMERCIAL STATUTORY ACTUAL VALUES
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	TIMING		PERMIT VALUE (CONSTRUCTION COST)			HOTEL			COMMERCIAL		
BUILDING	CONSTRUCTION START YEAR	DELIVERY YEAR	GROSS COMMERCIAL SF	HARD COST/SF	TOTAL COST	ROOMS	STATUTORY ACTUAL VALUE/ROOM	STATUTORY ACTUAL VALUE	SF	STATUTORY ACTUAL VALUE/SF	STATUTORY ACTUAL VALUE
4AB	2017	2018	4,951	$660	$3,270,000	0	$0	$0	4,951	$290	$1,440,000
5	2017	2018	66,255	$360	$23,840,000	102	$320,000	$32,640,000	18,737	$290	$5,430,000
7/8	2017	2019	14,086	$116	$1,630,000	0	$0	$0	14,086	$290	$4,080,000
13B	2019	2020	0	$0	$0	0	$0	$0	0	$0	$0
Fanny Hill	2019	2020	0	$0	$0	0	$0	$0	0	$0	$0
11/12	2020	2021	0	$0	$0	0	$0	$0	0	$0	$0
10A	2021	2022	6,081	$352	$2,140,000	0	$0	$0	6,081	$290	$1,760,000
10B	2023	2024	0	$0	$0	0	$0	$0	0	$290	$0

NOTE: All values are presented in 2016 dollars.
NOTE: RCLCO's analysis excludes the 9,775 square feet of commercial space in Building 6, which will be a tax-exempt community facility.
SOURCE: Pitkin County Assessor; East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-4B

ESTIMATED COMMERCIAL STATUTORY ACTUAL VALUES BY BUILDING (MILLIONS)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, CO
2017-2026

VALUATION "LIFECYCLE"

For commercial space we have simplified the valuation lifecycle into two stages: During construction, commercial space is valued at the Permit Value (hard cost of construction) multiplied by the percent complete as of January 1 of each year. Once the building is complete, the value for commercial space is calculated as the net square footage of commercial space or the total hotel rooms multiplied by the estimated value per square foot (retail) or estimated value per room (hospitality).

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PERCENT COMPLETE										
13A	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4AB	0%	50%	100%	100%	100%	100%	100%	100%	100%	100%
5	0%	50%	100%	100%	100%	100%	100%	100%	100%	100%
7/8	0%	39%	91%	100%	100%	100%	100%	100%	100%	100%
13B	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%
Fanny Hill	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%
11/12	0%	0%	0%	0%	50%	100%	100%	100%	100%	100%
10A	0%	0%	0%	0%	0%	50%	100%	100%	100%	100%
10B	0%	0%	0%	0%	0%	0%	0%	50%	100%	100%
ESTIMATED COMMERCIAL STATUTORY ACTUAL VALUE (MILLIONS)										
13A	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
4AB	$0.0	$1.6	$1.4	$1.4	$1.4	$1.4	$1.4	$1.4	$1.4	$1.4
5	$0.0	$11.9	$38.1	$38.1	$38.1	$38.1	$38.1	$38.1	$38.1	$38.1
7/8	$0.0	$0.6	$1.5	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1
13B	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Fanny Hill	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
11/12	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
10A	$0.0	$0.0	$0.0	$0.0	$0.0	$1.1	$1.8	$1.8	$1.8	$1.8
10B	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

NOTE: All values are presented in 2016 dollars.
NOTE: RCLCO's analysis excludes the 9,775 square feet of commercial space in Building 6, which will be a tax-exempt community facility.
SOURCE: Pitkin County Assessor; East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-4C

COMPARISON OF HOTEL PRICES AND STATUTORY ACTUAL VALUES
GREATER ASPEN REGION
SEPTEMBER 2016

ACCOUNT NUMBER(S)	PROPERTY NAME	PROPERTY ADDRESS	LOCATION	# OF ROOMS	SALE DATE	SALE PRICE	SALE PRICE PER ROOM	STATUTORY ACTUAL VALUE	STATUTORY ACTUAL VALUE PER ROOM	WEIGHT
R012786, 7, 8	Westin Snowmass	100 Elbert Ln.	Snowmass Village	254	6/30/2011	$38,750,000	$152,559	$46,216,600	$181,955	0.0%
R020218	Limelight	355 Monarch St.	Aspen	126	4/12/2010	$37,925,000	$300,992	$42,429,800	$336,744	33.3%
R000534	Hotel Jerome	330 E. Main St.	Aspen	93	2/5/2015	$69,150,000	$743,548	$37,060,100	$398,496	33.3%
R019444, 5	St. Regis	315 E. Dean St.	Aspen	179	9/1/2010	$70,000,000	$391,061	$82,886,300	$463,052	33.3%
WEIGHTED AVERAGE									**$399,431**	
SNOWMASS VILLAGE DISCOUNT RELATIVE TO ASPEN [1]									**-20%**	
LIMELIGHT SNOWMASS BASE VILLAGE				**102**				**$32,600,000**	**$320,000**	

[1] Represents the relative value for residential and commercial properties between Aspen and Snowmass Village.
SOURCE: Pitkin County Property Appraiser; Local MLS Data; RCLCO

RCLCO
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-4D

STATUTORY ACTUAL VALUES OF COMPARABLE COMMERCIAL PROPERTIES
SNOWMASS VILLAGE, CO
SEPTEMBER 2016

SIZE RANGE	PROPERTIES	AVERAGE SIZE	AVERAGE ACTUAL VALUE	AVERAGE ACTUAL VALUE/SF
SUMMARY BY SIZE (EXCLUDES TOP AND BOTTOM 10% BY VALUE/SF)				
Less than 1,000 SF	14	367	$113,750	$310
1,000 - 5,000 SF	15	681	$195,547	$287
5,000 - 10,000 SF	17	2,173	$516,782	$238
10,000+ SF	9	18,757	$5,570,667	$297
All	55	4,020	$1,154,000	$290

ACCOUNT NUMBER(S)	PROPERTY NAME/ADDRESS	SF	ACTUAL VALUE	ACTUAL VALUE/SF
R012960	104 Snowmass Village Mall	267	$56,000	$210
R012961	104A Snowmass Village Mall	278	$27,200	$98
R021481	130 Wood Rd Unit C1	279	$129,500	$464
R014122	102 Snowmass Village Mall	300	$62,900	$210
R021488	130 Wood Rd Unit C8	310	$79,100	$255
R012969	207 Snowmass Village Mall	314	$65,900	$210
R012970	208 Snowmass Village Mall	335	$70,300	$210
R012972	210 Snowmass Village Mall	368	$159,400	$433
R012964	202 Snowmass Village Mall	391	$169,400	$433
R012984	311B Snowmass Village Mall	393	$112,000	$285
R012973	211 Snowmass Village Mall	420	$182,000	$433
R012974	212 Snowmass Village Mall	422	$182,900	$433
R012983	311A Snowmass Village Mall	443	$126,300	$285
R021015	90 Carriage Wy Unit 3111	446	$101,600	$228
R012959	15 Snowmass Village Mall	454	$95,200	$210
R021021	90 Carriage Wy Unit 3214	493	$22,500	$46
R012980	Snowmass Village Mall	511	$145,700	$285
R020835	110 Carriage Wy Unit 3103	546	$149,200	$273
R021014	90 Carriage Wy Unit 3110	566	$128,900	$228
R012965	203 Snowmass Village Mall	569	$246,600	$433
R021020	90 Carriage Wy Unit 3213	580	$132,100	$228
R012968	206 Snowmass Village Mall	583	$315,800	$542
R020839	110 Carriage Wy Unit 3108	598	$163,500	$273
R020826	69 Wood Rd	661	$263,900	$399
R020827	69 Wood Rd	711	$283,900	$399
R012962	106 Snowmass Village Mall	715	$150,000	$210

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-4D

STATUTORY ACTUAL VALUES OF COMPARABLE COMMERCIAL PROPERTIES
SNOWMASS VILLAGE, CO
SEPTEMBER 2016

SIZE RANGE	PROPERTIES	AVERAGE SIZE	AVERAGE ACTUAL VALUE	AVERAGE ACTUAL VALUE/SF
SUMMARY BY SIZE (EXCLUDES TOP AND BOTTOM 10% BY VALUE/SF)				
Less than 1,000 SF	14	367	$113,750	$310
1,000 - 5,000 SF	15	681	$195,547	$287
5,000 - 10,000 SF	17	2,173	$516,782	$238
10,000+ SF	9	18,757	$5,570,667	$297
All	55	4,020	$1,154,000	$290

ACCOUNT NUMBER(S)	PROPERTY NAME/ADDRESS	SF	ACTUAL VALUE	ACTUAL VALUE/SF
R020825	69 Wood Rd	719	$287,100	$399
R020834	110 Carriage Wy Unit 3102	747	$187,200	$251
R012966	204 Snowmass Village Mall	747	$404,600	$542
R020836	110 Carriage Wy Unit 3104	776	$212,100	$273
R012978	301 Snowmass Village Mall	788	$165,300	$210
R021019	90 Carriage Wy Unit 3212	798	$181,800	$228
R012963	201 Snowmass Village Mall	798	$432,300	$542
R012967	205 Snowmass Village Mall	805	$436,000	$542
R021013	90 Carriage Wy Unit 3109	902	$143,800	$159
R021485	130 Wood Rd Unit C5	924	$235,900	$255
R012976	215 Snowmass Village Mall	1,010	$547,100	$542
R012977	216 Snowmass Village Mall	1,076	$524,500	$487
R012975	21 Snowmass Village Mall	1,160	$628,300	$542
R012979	302 Snowmass Village Mall	1,194	$340,400	$285
R020837	110 Carriage Wy Unit 3105	1,257	$343,600	$273
R021484	130 Wood Rd Unit C4	1,375	$351,000	$255
R012981	309 Snowmass Village Mall	1,546	$324,300	$210
R012985	315 Snowmass Village Mall	1,663	$474,100	$285
R020824	69 Wood Rd	1,752	$150,200	$86
R012982	310 Snowmass Village Mall	1,754	$367,900	$210
R012986	316 Snowmass Village Mall	1,798	$512,500	$285
R020254	300 Snowmass Club Cir	1,800	$345,900	$192
R012971	209 Snowmass Village Mall	1,804	$683,600	$379
R020822	73 Wood Rd	1,984	$340,200	$171
R020828	69 Wood Rd	2,052	$351,800	$171
R020819	73 Wood Rd	2,334	$200,100	$86

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-4D

STATUTORY ACTUAL VALUES OF COMPARABLE COMMERCIAL PROPERTIES
SNOWMASS VILLAGE, CO
SEPTEMBER 2016

SIZE RANGE	PROPERTIES	AVERAGE SIZE	AVERAGE ACTUAL VALUE	AVERAGE ACTUAL VALUE/SF
SUMMARY BY SIZE (EXCLUDES TOP AND BOTTOM 10% BY VALUE/SF)				
Less than 1,000 SF	14	367	$113,750	$310
1,000 - 5,000 SF	15	681	$195,547	$287
5,000 - 10,000 SF	17	2,173	$516,782	$238
10,000+ SF	9	18,757	$5,570,667	$297
All	55	4,020	$1,154,000	$290

ACCOUNT NUMBER(S)	PROPERTY NAME/ADDRESS	SF	ACTUAL VALUE	ACTUAL VALUE/SF
R020833	110 Carriage Wy Unit 3101	2,494	$568,100	$228
R020820	73 Wood Rd	2,730	$468,100	$171
R011808	50 Snowmass Village Mall	3,172	$1,574,300	$496
R021207	60 Carriage Wy Unit 3120	3,705	$697,200	$188
R021486	130 Wood Rd Unit C6	3,964	$1,012,000	$255
R011408	240 Snowmass Club Cir	4,000	$470,700	$118
R020838	110 Carriage Wy Unit 3106/7	4,742	$1,080,100	$228
R021487	130 Wood Rd Unit C7	5,470	$1,396,500	$255
R021482	130 Wood Rd Unit C2	5,993	$2,781,900	$464
R021483	130 Wood Rd Unit C3	8,821	$4,094,700	$464
R013757	239 Snowmass Club Cir	10,507	$3,750,000	$357
R015933	Snowmass Village Mall	13,701	$4,762,300	$348
R015932	Snowmass Village Mall	15,517	$4,664,800	$301
R015931	Snowmass Village Mall	26,497	$8,194,600	$309
R011810	96 Snowmass Village Mall	41,034	$10,698,000	$261
R011934	16 Kearns Rd	41,272	$9,793,200	$237
R013724	239 Snowmass Club Cir	61,824	$3,050,000	$49

SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-5

UNIT MIX BY BUILDING AND PRODUCT TYPE
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	Studio		1B		2B		3B		4B		5B		TOTAL		EMPLOYEE		COMMERCIAL	
BUILDING	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF	#	SF	COMMERCIAL SF	HOTEL ROOMS
4AB	0	0	0	0	1	1,792	1	2,348	1	3,066	0	0	3	2,402	0	0	4,951	0
5	0	0	0	0	13	1,348	2	1,790	0	0	0	0	15	1,407	2	1,006	18,737	102
7	0	0	0	0	3	1,499	7	1,924	1	2,860	0	0	11	1,893	4	777	8,088	0
8	0	0	4	516	0	0	6	2,051	20	2,535	0	0	30	2,169	0	0	5,998	0
10A	0	0	20	806	27	1,328	21	1,678	0	0	0	0	68	1,282	3	877	6,081	0
10B	0	0	16	943	17	1,290	9	1,857	0	0	0	0	42	1,279	2	918	0	0
11	0	0	0	0	2	1,164	15	1,817	6	2,471	2	3,501	25	2,056	2	515	0	0
12	0	0	0	0	2	1,274	12	2,070	4	2,462	2	3,200	20	2,182	0	0	0	0
13B	11	421	0	0	22	1,280	12	1,713	4	2,315	0	0	49	1,278	7	728	0	0
FANNY HILL	0	0	0	0	0	0	0	0	10	2,388	0	0	10	2,388	1	550	0	0
TOTAL	**11**	**421**	**40**	**832**	**87**	**1,317**	**85**	**1,839**	**46**	**2,488**	**4**	**3,351**	**273**	**1,600**	**21**	**774**	**43,855**	**102**

NOTE: RCLCO's analysis excludes the 9,775 square feet of commercial space in Building 6, which will be a tax-exempt community facility.
SOURCE: East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-6A

PRICING BY BUILDING AND UNIT TYPE (2016 $)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	EXISTING UNITS				FUTURE DEVELOPMENT			
	13A				4AB/5			
	UNITS	SF	$/SF	$	UNITS	SF	$/SF	PRICE
Studio	26	401	$600	$240,800	0	0	$0	$0
1B	26	695	$750	$521,100	0	0	$0	$0
2B	9	1,014	$1,000	$1,013,900	14	1,380	$1,100	$1,517,900
3B	3	1,824	$1,200	$2,188,800	3	1,976	$1,275	$2,519,000
4B	1	3,514	$1,300	$4,568,200	1	3,066	$1,350	$4,139,100
5B	0	0	$0	$0	0	0	$0	$0
Total/Wtd. Avg.	**65**	**717**	**$865**	**$620,000**	**18**	**1,573**	**$1,163**	**$1,830,000**
Emp	0	0	$0	$0	2	1,006	$250	$251,500

	FUTURE DEVELOPMENT							
	7/8				13B			
	UNITS	SF	$/SF	$	UNITS	SF	$/SF	PRICE
Studio	0	0	$0	$0	11	421	$800	$337,100
1B	4	516	$900	$464,600	0	0	$0	$0
2B	3	1,499	$1,150	$1,723,900	22	1,280	$1,150	$1,471,900
3B	13	1,983	$1,350	$2,676,700	12	1,713	$1,350	$2,313,100
4B	21	2,550	$1,425	$3,634,300	4	2,315	$1,425	$3,298,900
5B	0	0	$0	$0	0	0	$0	$0
Total/Wtd. Avg.	**41**	**2,095**	**$1,375**	**$2,880,000**	**49**	**1,278**	**$1,229**	**$1,570,000**
Emp	4	777	$250	$194,100	7	728	$250	$182,000

SOURCE: East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-6A

PRICING BY BUILDING AND UNIT TYPE (2016 $)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	FUTURE DEVELOPMENT							
	FANNY HILL				11/12			
	UNITS	SF	$/SF	$	UNITS	SF	$/SF	PRICE
Studio	0	0	$0	$0	0	0	$0	$0
1B	0	0	$0	$0	0	0	$0	$0
2B	0	0	$0	$0	4	1,219	$1,150	$1,401,300
3B	0	0	$0	$0	27	1,929	$1,350	$2,604,700
4B	10	2,388	$1,600	$3,820,000	10	2,467	$1,425	$3,516,000
5B	0	0	$0	$0	4	3,351	$1,475	$4,942,000
Total/Wtd. Avg.	**10**	**2,388**	**$1,600**	**$3,820,000**	**45**	**2,112**	**$1,378**	**$2,910,000**
Emp	1	550	$250	$137,500	2	515	$250	$128,800

	FUTURE DEVELOPMENT							
	10A				10B			
	UNITS	SF	$/SF	$	UNITS	SF	$/SF	PRICE
Studio	0	0	$0	$0	0	0	$0	$0
1B	20	806	$1,000	$805,600	16	943	$1,000	$943,000
2B	27	1,328	$1,150	$1,526,900	17	1,290	$1,150	$1,483,000
3B	21	1,678	$1,350	$2,265,700	9	1,857	$1,350	$2,506,700
4B	0	0	$1,425	$0	0	0	$0	$0
5B	0	0	$0	$0	0	0	$0	$0
Total/Wtd. Avg.	**68**	**1,282**	**$1,201**	**$1,540,000**	**42**	**1,279**	**$1,173**	**$1,500,000**
Emp	3	877	$250	$219,200	2	918	$250	$229,500

SOURCE: East West Partners; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-6B

SUMMARY OF PRICING OF VACATION CONDOS AND EMPLOYEE HOUSING (2016 $)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
NOVEMBER 2016

	VACATION CONDOS				EMPLOYEE HOUSING			
BUILDING	UNITS	SF	$/SF	$	UNITS	SF	$/SF	$
13A	65	717	$865	$620,000	0	0	$0	$0
4AB/5	18	1,573	$1,163	$1,830,000	2	1,006	$250	$251,500
7/8	41	2,095	$1,375	$2,880,000	4	777	$250	$194,100
13B	49	1,278	$1,229	$1,570,000	7	728	$250	$182,000
Fanny Hill	10	2,388	1,600	3,820,000	1	550	$250	$137,500
11/12	45	2,112	$1,378	$2,910,000	2	515	$250	$128,800
10A	68	1,282	$1,201	$1,540,000	3	877	$250	$219,200
10B	42	1,279	$1,173	$1,500,000	2	918	$250	$229,500
Total/Wtd. Avg.	**338**	**1,430**	**$1,252**	**$1,790,296**	**21**	**774**	**$250**	**$193,576**

SOURCE: East West Partners; RCLCO

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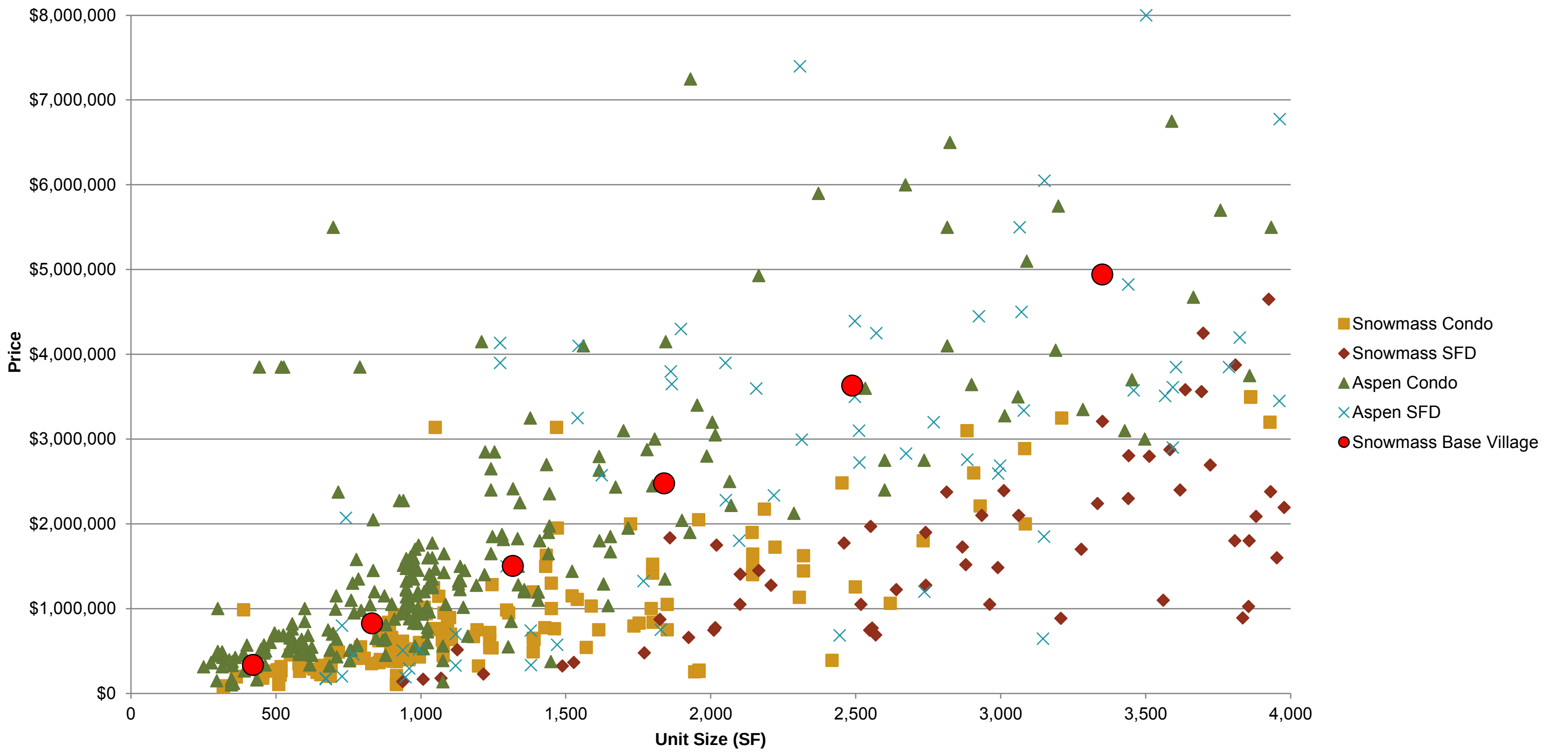
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-7A

**PRICE TO SIZE RELATIONSHIP OF RECOMMENDED
SNOWMASS BASE VILLAGE PRODUCTS AND RECENT CONDO AND SFD TRANSACTIONS
GREATER ASPEN REGION
2015-2016 YTD**



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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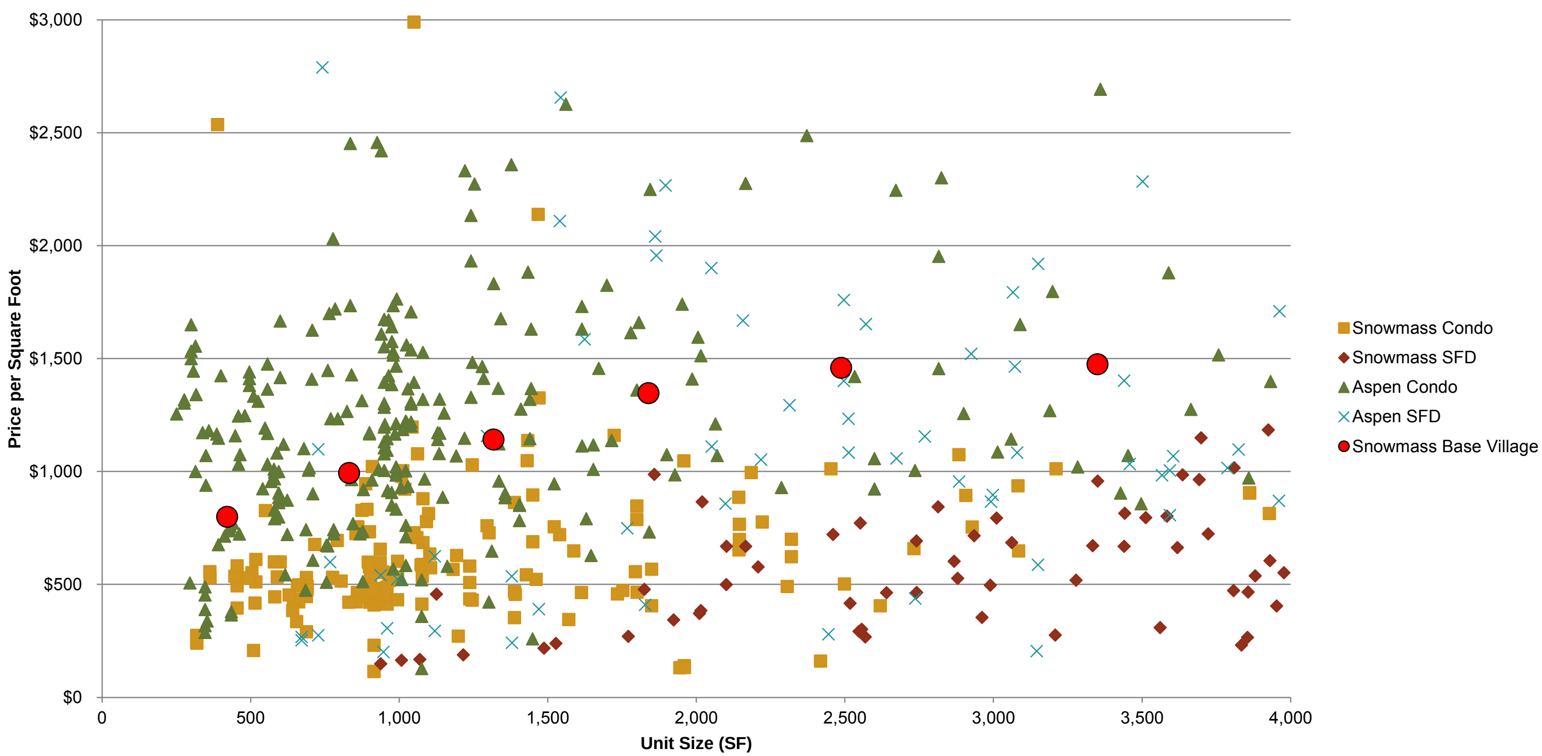
Exhibit I-7B

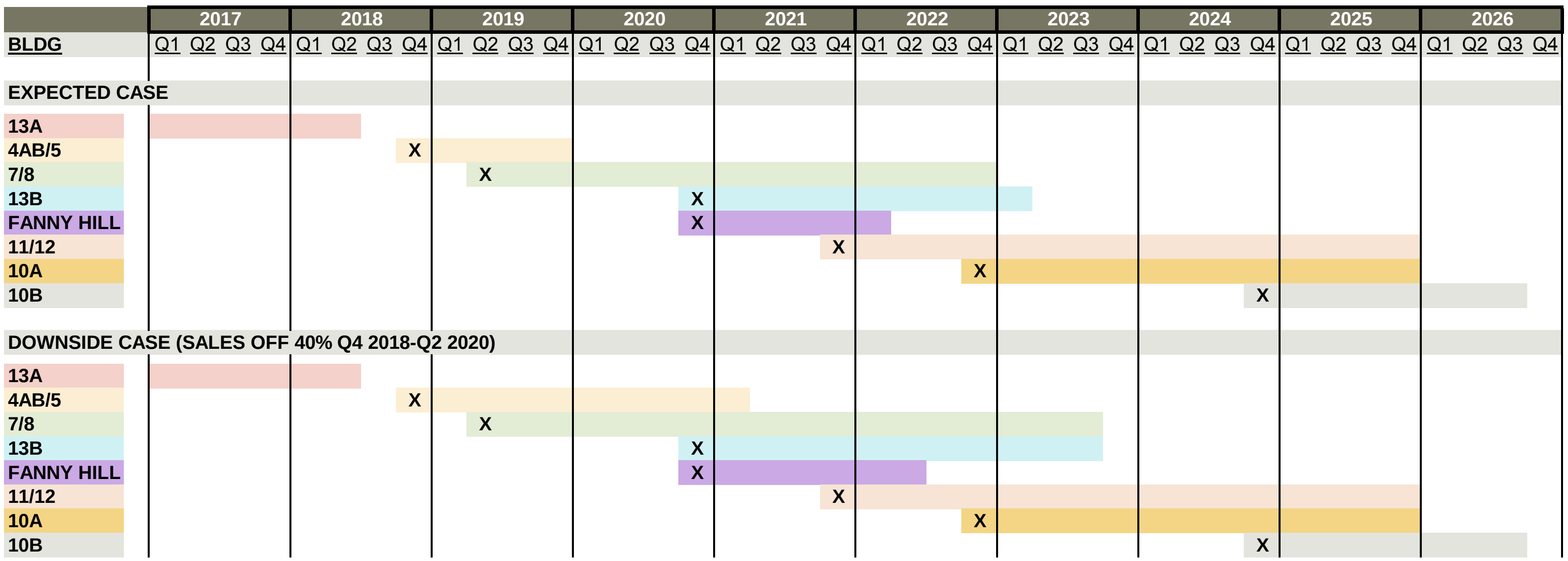
PRICE PER SQUARE FOOT TO SIZE RELATIONSHIP OF RECOMMENDED SNOWMASS BASE VILLAGE PRODUCTS AND RECENT CONDO AND SFD TRANSACTIONS GREATER ASPEN REGION 2015-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

Exhibit I-8

PROJECT ABSORPTION SCENARIOS
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, CO
2017-2026



NOTE: "X" indicates quarter of delivery.
SOURCE: RCLCO

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Exhibit I-9

PROJECTED PRICE AND ABSORPTION OF MARKET-RATE UNITS
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, CO
2017-2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
EXPECTED CASE											
Sales	49	22	27	24	40	44	47	33	44	8	338
Average Square Feet	745	915	1,726	1,852	1,662	1,712	1,501	1,501	1,434	1,320	1,430
Average Price (2016 $)	$656,672	$902,839	$2,196,369	$2,530,533	$2,265,214	$2,275,510	$1,904,448	$1,887,182	$1,773,788	$1,555,481	$1,790,183
Average $/SF (2016 $)	$882	$987	$1,272	$1,366	$1,363	$1,329	$1,268	$1,257	$1,237	$1,179	$1,252
Appreciation	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Average Price (Inflated)	$689,506	$995,380	$2,542,571	$3,075,879	$2,835,983	$2,934,340	$2,529,519	$2,581,784	$2,499,453	$2,257,591	$2,286,473
Average $/SF (Inflated)	$926	$1,088	$1,473	$1,660	$1,706	$1,714	$1,685	$1,720	$1,743	$1,711	$1,599
DOWNSIDE CASE (SALES OFF 40% Q4 2018-Q2 2020)											
Sales	49	19	13	25	48	45	54	33	44	8	338
Average Square Feet	745	826	1,697	1,741	1,664	1,746	1,554	1,501	1,434	1,320	1,430
Average Price	$656,672	$781,084	$2,139,012	$2,265,160	$2,251,695	$2,339,068	$1,991,131	$1,887,182	$1,773,788	$1,555,481	$1,790,183
Average $/SF	$882	$946	$1,261	$1,301	$1,354	$1,340	$1,281	$1,257	$1,237	$1,179	$1,252
Appreciation	5.0%	2.0%	0.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Average Price (Inflated)	$689,506	$836,541	$2,290,881	$2,474,506	$2,533,590	$2,710,859	$2,376,847	$2,320,344	$2,246,350	$2,028,980	$2,085,555
Average $/SF (Inflated)	$926	$1,013	$1,350	$1,422	$1,523	$1,553	$1,530	$1,546	$1,566	$1,537	$1,459

SOURCE: RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-10A

PROJECTED SALES TIMELINE -- EXPECTED CASE
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

						RELAUNCHING																			
						2017				2018				2019				2020				2021			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 13A																									
Studio	26	401	$600	$240,800	26	5	4	4	5	5	3														
1B	26	695	$750	$521,100	26	5	4	4	5	5	3														
2B	9	1,014	$1,000	$1,013,900	9	3	2	2	2																
3B	3	1,824	$1,200	$2,188,800	3	2	1																		
4B	1	3,514	$1,300	$4,568,200	1	1																			
5B					0																				
Total/Wtd. Avg.	65	717	$865	$620,000	65	16	11	10	12	10	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 4AB/5																									
Studio					0																				
1B					0																				
2B	14	1,380	$1,100	$1,517,900	14								4	4	1	1	4								
3B	3	1,976	$1,275	$2,519,000	3								1	1	1										
4B	1	3,066	$1,350	$4,139,100	1								1												
5B					0																				
Total/Wtd. Avg.	18	1,573	$1,163	$1,830,000	18	0	0	0	0	0	0	0	6	5	2	1	4	0	0	0	0	0	0	0	0
Building 7/8																									
Studio					0																				
1B	4	516	$900	$464,600	4										1	1	2								
2B	3	1,499	$1,150	$1,723,900	3											1	1	1							
3B	13	1,983	$1,350	$2,676,700	13										1	1	3	3	1	1	2	1			
4B	21	2,550	$1,425	$3,634,300	21										1	1	2	2	1	1	2	2	1	1	2
5B					0																				
Total/Wtd. Avg.	41	2,095	$1,375	$2,880,000	41	0	0	0	0	0	0	0	0	0	3	4	8	6	2	2	4	3	1	1	2
Building 13B																									
Studio	11	421	$800	$337,100	11																3	5	2	1	
1B					0																				
2B	22	1,280	$1,150	$1,471,900	22																3	3	1	1	3
3B	12	1,713	$1,350	$2,313,100	12																1	1	1	1	2
4B	4	2,315	$1,425	$3,298,900	4																1	1			1
5B					0																				
Total/Wtd. Avg.	49	1,278	$1,229	$1,570,000	49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	10	4	3	6
FANNY HILL																									
Studio					0																				
1B					0																				
2B					0																				
3B					0																				
4B	10	2,388	$1,600	$3,820,000	10																2	2	1	1	2
5B					0																				
Total/Wtd. Avg.	10	2,388	$1,600	$3,820,000	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	1	1	2
Building 11/12																									
Studio					0																				
1B					0																				
2B	4	1,219	$1,150	$1,401,300	4																				2
3B	27	1,929	$1,350	$2,604,700	27																				1
4B	10	2,467	$1,425	$3,516,000	10																				
5B	4	3,351	$1,475	$4,942,000	4																				1
Total/Wtd. Avg.	45	2,112	$1,378	$2,910,000	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Building 10A																									
Studio		0			0																				
1B	20	806	$1,000	$805,600	20																				
2B	27	1,328	$1,150	$1,526,900	27																				
3B	21	1,678	$1,350	$2,265,700	21																				
4B			$1,425		0																				
5B					0																				
Total/Wtd. Avg.	68	1,282	$1,201	$1,540,000	68	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

RCLCO
REAL ESTATE ADVISORS

Exhibit I-10A

PROJECTED SALES TIMELINE -- EXPECTED CASE
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	TOTAL	STABILIZED 2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	Q4	2024 Q1	Q2	Q3	Q4	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3	Q4
Building 13A																									
Studio	26	401	$600	$240,800	26																				
1B	26	695	$750	$521,100	26																				
2B	9	1,014	$1,000	$1,013,900	9																				
3B	3	1,824	$1,200	$2,188,800	3																				
4B	1	3,514	$1,300	$4,568,200	1																				
5B					0																				
Total/Wtd. Avg.	65	717	$865	$620,000	65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 4AB/5																									
Studio					0																				
1B					0																				
2B	14	1,380	$1,100	$1,517,900	14																				
3B	3	1,976	$1,275	$2,519,000	3																				
4B	1	3,066	$1,350	$4,139,100	1																				
5B					0																				
Total/Wtd. Avg.	18	1,573	$1,163	$1,830,000	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 7/8																									
Studio					0																				
1B	4	516	$900	$464,600	4																				
2B	3	1,499	$1,150	$1,723,900	3																				
3B	13	1,983	$1,350	$2,676,700	13																				
4B	21	2,550	$1,425	$3,634,300	21	2	1	1	1																
5B					0																				
Total/Wtd. Avg.	41	2,095	$1,375	$2,880,000	41	2	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 13B																									
Studio	11	421	$800	$337,100	11																				
1B					0																				
2B	22	1,280	$1,150	$1,471,900	22	3	1	1	3	3															
3B	12	1,713	$1,350	$2,313,100	12	2	1	1	2																
4B	4	2,315	$1,425	$3,298,900	4	1																			
5B					0																				
Total/Wtd. Avg.	49	1,278	$1,229	$1,570,000	49	6	2	2	5	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FANNY HILL																									
Studio					0																				
1B					0																				
2B					0																				
3B					0																				
4B	10	2,388	$1,600	$3,820,000	10	2																			
5B					0																				
Total/Wtd. Avg.	10	2,388	$1,600	$3,820,000	10	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 11/12																									
Studio					0																				
1B					0																				
2B	4	1,219	$1,150	$1,401,300	4	2																			
3B	27	1,929	$1,350	$2,604,700	27	1	1	1	1	2	1	1	3	3	1	1	3	3	1	1	2				
4B	10	2,467	$1,425	$3,516,000	10		1	1	2	2	1	1	2												
5B	4	3,351	$1,475	$4,942,000	4	1			1	1															
Total/Wtd. Avg.	45	2,112	$1,378	$2,910,000	45	4	2	2	4	5	2	2	5	3	1	1	3	3	1	1	2	0	0	0	0
Building 10A																									
Studio		0			0																				
1B	20	806	$1,000	$805,600	20				5	5	3	3	4												
2B	27	1,328	$1,150	$1,526,900	27				4	4	1	1	4	4	1	1	3	3	1						
3B	21	1,678	$1,350	$2,265,700	21				1	1	1	1	2	2	1	1	3	3	1	1	3				
4B			$1,425		0																				
5B					0																				
Total/Wtd. Avg.	68	1,282	$1,201	$1,540,000	68	0	0	0	10	10	5	5	10	6	2	2	6	6	2	1	3	0	0	0	0

RCLCO
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BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-10A

PROJECTED SALES TIMELINE -- EXPECTED CASE
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

						RELAUNCHING																			
						2017				2018				2019				2020				2021			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 10B																									
Studio		0			0																				
1B	16	943	$1,000	$943,000	16																				
2B	17	1,290	$1,150	$1,483,000	17																				
3B	9	1,857	$1,350	$2,506,700	9																				
4B					0																				
5B					0																				
Total/Wtd. Avg.	42	1,279	$1,173	$1,500,000	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overall Project																									
Studio						5	4	4	5	5	3	0	0	0	0	0	0	0	0	0	3	5	2	1	0
1B						5	4	4	5	5	3	0	0	0	1	1	2	0	0	0	0	0	0	0	0
2B						3	2	2	2	0	0	0	4	4	1	2	5	1	0	0	3	3	1	1	5
3B						2	1	0	0	0	0	0	1	1	2	1	3	3	1	1	3	2	1	1	3
4B						1	0	0	0	0	0	0	1	0	1	1	2	2	1	1	5	5	2	2	5
5B						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total						16	11	10	12	10	6	0	6	5	5	5	12	6	2	2	14	15	6	5	14
Annual						49				22				27				24				40			
Cumulative Total						16	27	37	49	59	65	65	71	76	81	86	98	104	106	108	122	137	143	148	162
SALES BY PRICE BAND																									
<$1M						12	9	9	11	10	6	0	0	0	1	1	2	0	0	0	3	5	2	1	0
$1M-$2M						2	1	1	1	0	0	0	4	4	1	2	5	1	0	0	3	3	1	1	5
$2M-$3M						1	1	0	0	0	0	0	1	1	2	1	3	3	1	1	3	2	1	1	3
$3M+						1	0	0	0	0	0	0	1	0	1	1	2	2	1	1	5	5	2	2	6
Total						16	11	10	12	10	6	0	6	5	5	5	12	6	2	2	14	15	6	5	14
AVERAGE QUARTERLY SALES BY PRICE BAND																									
<$1M						3	5	7	10	10	9	7	4	2	0	1	1	1	1	1	1	2	3	3	2
$1M-$2M						1	1	1	1	1	1	0	1	2	2	3	3	2	2	2	1	2	2	2	3
$2M-$3M						0	0	0	0	0	0	0	0	0	1	1	2	2	2	2	2	2	2	2	2
$3M+						0	0	0	0	0	0	0	0	0	1	1	1	2	2	2	2	3	3	3	4
Total						4	7	9	12	11	10	7	6	4	4	5	7	7	6	6	6	8	9	10	10

SOURCE: RCLCO

Exhibit I-10A

PROJECTED SALES TIMELINE -- EXPECTED CASE
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

						STABILIZED																			
						2022				2023				2024				2025				2026			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 10B																									
Studio		0			0																				
1B	16	943	$1,000	$943,000	16												5	5	2	2	2				
2B	17	1,290	$1,150	$1,483,000	17												2	2	1	1	4	4	2	1	
3B	9	1,857	$1,350	$2,506,700	9												2	2	1	1	2	1			
4B					0																				
5B					0																				
Total/Wtd. Avg.	42	1,279	$1,173	$1,500,000	42	0	0	0	0	0	0	0	0	0	0	0	9	9	4	4	8	5	2	1	0
Overall Project																									
Studio						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1B						0	0	0	5	5	3	3	4	0	0	0	5	5	2	2	2	0	0	0	0
2B						5	1	1	7	7	1	1	4	4	1	1	5	5	2	1	4	4	2	1	0
3B						3	2	2	4	3	2	2	5	5	2	2	8	8	3	3	7	1	0	0	0
4B						5	2	2	3	2	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0
5B						1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total						14	5	5	20	18	7	7	15	9	3	3	18	18	7	6	13	5	2	1	0
Annual						44				47				33				44				8			
Cumulative Total						176	181	186	206	224	231	238	253	262	265	268	286	304	311	317	330	335	337	338	338
SALES BY PRICE BAND																									
<$1M						0	0	0	4	4	2	2	3	0	0	0	3	3	1	1	1	0	0	0	0
$1M-$2M						5	1	1	8	8	2	2	5	5	1	1	8	8	3	2	6	4	2	1	0
$2M-$3M						3	2	2	4	3	2	2	5	5	2	2	7	7	3	3	6	1	0	0	0
$3M+						6	2	2	4	3	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0
Total						14	5	5	20	18	7	7	15	9	3	3	18	18	7	6	13	5	2	1	0
AVERAGE QUARTERLY SALES BY PRICE BAND																									
<$1M						1	0	0	1	2	3	3	3	2	1	1	1	2	2	2	2	1	1	0	0
$1M-$2M						3	3	3	4	5	5	5	4	3	3	3	4	5	5	5	5	4	3	3	2
$2M-$3M						2	2	2	3	3	2	2	3	3	3	3	4	5	5	5	5	3	3	2	0
$3M+						4	4	4	3	3	3	2	2	1	1	1	0	0	0	0	0	0	0	0	0
Total						10	10	10	11	12	13	13	12	10	9	8	8	11	12	12	11	8	7	5	2

SOURCE: RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-10B

PROJECTED SALES TIMELINE -- DOWNSIDE CASE (SALES OFF 40% Q4 2018-Q2 2020)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

										RELAUNCHING					MARKET SLOWER BY 40% (AS IF '01-'03									REBOUNDING					
					PRICE DISTRIBUTION					2017				2018				2019				2020				2021			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	<$1M	$1M-$2M	$2M-$3M	$3M+	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 13A																													
Studio	26	401	$600	$240,800	100%				26	5	4	4	5	5	3														
1B	26	695	$750	$521,100	100%				26	5	4	4	5	5	3														
2B	9	1,014	$1,000	$1,013,900	50%	50%			9	3	2	2	2																
3B	3	1,824	$1,200	$2,188,800		40%	60%		3	2	1																		
4B	1	3,514	$1,300	$4,568,200				100%	1	1																			
5B									0																				
Total/Wtd. Avg.	65	717	$865	$620,000					65	16	11	10	12	10	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 4AB/5																													
Studio									0																				
1B									0																				
2B	14	1,380	$1,100	$1,517,900		100%			14								1	1	1	1	1	1	1	2	4	1			
3B	3	1,976	$1,275	$2,519,000		10%	90%		3								1	1			1								
4B	1	3,066	$1,350	$4,139,100				100%	1								1												
5B									0																				
Total/Wtd. Avg.	18	1,573	$1,163	$1,830,000					18	0	0	0	0	0	0	0	3	2	1	1	2	1	1	2	4	1	0	0	0
Building 7/8																													
Studio									0																				
1B	4	516	$900	$464,600	100%				4										1		1	1	1						
2B	3	1,499	$1,150	$1,723,900		100%			3										1		1	1							
3B	13	1,983	$1,350	$2,676,700			100%		13											1	1	1	1	1	2	1	1	1	3
4B	21	2,550	$1,425	$3,634,300				100%	21												1	1		1	2	2	1	1	2
5B									0																				
Total/Wtd. Avg.	41	2,095	$1,375	$2,880,000					41	0	0	0	0	0	0	0	0	0	2	1	4	4	2	2	4	3	2	2	5
Building 13B																													
Studio	11	421	$800	$337,100	100%				11																1	7	2	1	
1B									0																				
2B	22	1,280	$1,150	$1,471,900		100%			22																1	3	1	1	3
3B	12	1,713	$1,350	$2,313,100		10%	90%		12																1	1	1	1	2
4B	4	2,315	$1,425	$3,298,900			10%	90%	4																1	1			1
5B									0																				
Total/Wtd. Avg.	49	1,278	$1,229	$1,570,000					49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	12	4	3	6
FANNY HILL																													
Studio									0																				
1B									0																				
2B									0																				
3B									0																				
4B	10	2,388	$1,600	$3,820,000				100%	10																1	1	1	2	2
5B									0																				
Total/Wtd. Avg.	10	2,388	$1,600	$3,820,000					10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	2	2
Building 11/12																													
Studio									0																				
1B									0																				
2B	4	1,219	$1,150	$1,401,300		100%			4																				2
3B	27	1,929	$1,350	$2,604,700			100%		27																				1
4B	10	2,467	$1,425	$3,516,000				100%	10																				
5B	4	3,351	$1,475	$4,942,000				100%	4																				1
Total/Wtd. Avg.	45	2,112	$1,378	$2,910,000					45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Building 10A																													
Studio		0							0																				
1B	20	806	$1,000	$805,600	80%	20%			20																				
2B	27	1,328	$1,150	$1,526,900		100%			27																				
3B	21	1,678	$1,350	$2,265,700		25%	75%		21																				
4B			$1,425						0																				
5B									0																				
Total/Wtd. Avg.	68	1,282	$1,201	$1,540,000					68	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

RCLCO
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-10B

PROJECTED SALES TIMELINE -- DOWNSIDE CASE (SALES OFF 40% Q4 2018-Q2 2020)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

					PRICE DISTRIBUTION					STABILIZED																			
										2022				2023				2024				2025				2026			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	<$1M	$1M-$2M	$2M-$3M	$3M+	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 13A																													
Studio	26	401	$600	$240,800	100%				26																				
1B	26	695	$750	$521,100	100%				26																				
2B	9	1,014	$1,000	$1,013,900	50%	50%			9																				
3B	3	1,824	$1,200	$2,188,800		40%	60%		3																				
4B	1	3,514	$1,300	$4,568,200				100%	1																				
5B									0																				
Total/Wtd. Avg.	65	717	$865	$620,000					65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 4AB/5																													
Studio									0																				
1B									0																				
2B	14	1,380	$1,100	$1,517,900		100%			14																				
3B	3	1,976	$1,275	$2,519,000		10%	90%		3																				
4B	1	3,066	$1,350	$4,139,100				100%	1																				
5B									0																				
Total/Wtd. Avg.	18	1,573	$1,163	$1,830,000					18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 7/8																													
Studio									0																				
1B	4	516	$900	$464,600	100%				4																				
2B	3	1,499	$1,150	$1,723,900		100%			3																				
3B	13	1,983	$1,350	$2,676,700			100%		13																				
4B	21	2,550	$1,425	$3,634,300				100%	21	2	1	1	2	2	1	1													
5B									0																				
Total/Wtd. Avg.	41	2,095	$1,375	$2,880,000					41	2	1	1	2	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 13B																													
Studio	11	421	$800	$337,100	100%				11																				
1B									0																				
2B	22	1,280	$1,150	$1,471,900		100%			22	3	1	1	3	3	1	1													
3B	12	1,713	$1,350	$2,313,100		10%	90%		12	1	1	1	2	1															
4B	4	2,315	$1,425	$3,298,900			10%	90%	4	1																			
5B									0																				
Total/Wtd. Avg.	49	1,278	$1,229	$1,570,000					49	5	2	2	5	4	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
FANNY HILL																													
Studio									0																				
1B									0																				
2B									0																				
3B									0																				
4B	10	2,388	$1,600	$3,820,000				100%	10	2	1																		
5B									0																				
Total/Wtd. Avg.	10	2,388	$1,600	$3,820,000					10	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 11/12																													
Studio									0																				
1B									0																				
2B	4	1,219	$1,150	$1,401,300		100%			4	2																			
3B	27	1,929	$1,350	$2,604,700			100%		27	1	1	1	1	2	1	1	3	3	1	1	3	3	1	1	2				
4B	10	2,467	$1,425	$3,516,000				100%	10		1	1	2	2	1	1	2												
5B	4	3,351	$1,475	$4,942,000				100%	4	1			1	1															
Total/Wtd. Avg.	45	2,112	$1,378	$2,910,000					45	4	2	2	4	5	2	2	5	3	1	1	3	3	1	1	2	0	0	0	0
Building 10A																													
Studio		0							0																				
1B	20	806	$1,000	$805,600	80%	20%			20				5	5	3	3	4												
2B	27	1,328	$1,150	$1,526,900		100%			27				4	4	1	1	4	4	1	1	3	3	1						
3B	21	1,678	$1,350	$2,265,700		25%	75%		21				1	1	1	1	2	2	1	1	3	3	1	1	3				
4B			$1,425						0																				
5B									0																				
Total/Wtd. Avg.	68	1,282	$1,201	$1,540,000					68	0	0	0	10	10	5	5	10	6	2	2	6	6	2	1	3	0	0	0	0

RCLCO
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-10B

PROJECTED SALES TIMELINE -- DOWNSIDE CASE (SALES OFF 40% Q4 2018-Q2 2020)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

										RELAUNCHING					MARKET SLOWER BY 40% (AS IF '01-'03									REBOUNDING							
					PRICE DISTRIBUTION					2017				2018				2019				2020				2021			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	<$1M	$1M-$2M	$2M-$3M	$3M+	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 10B																													
Studio		0							0																				
1B	16	943	$1,000	$943,000	60%	40%			16																				
2B	17	1,290	$1,150	$1,483,000		100%			17																				
3B	9	1,857	$1,350	$2,506,700			100%		9																				
4B									0																				
5B									0																				
Total/Wtd. Avg.	42	1,279	$1,173	$1,500,000					42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overall Project																													
Studio										5	4	4	5	5	3	0	0	0	0	0	0	0	0	0	1	7	2	1	0
1B										5	4	4	5	5	3	0	0	0	1	0	1	1	1	0	0	0	0	0	0
2B										3	2	2	2	0	0	0	1	1	2	1	2	2	1	2	5	4	1	1	5
3B										2	1	0	0	0	0	0	1	1	0	1	2	1	1	1	3	2	2	2	6
4B										1	0	0	0	0	0	0	1	0	0	0	1	1	0	1	4	4	2	3	5
5B										0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total										16	11	10	12	10	6	0	3	2	3	2	6	5	3	4	13	17	7	7	17
Annual										49				19				13				25				48			
Cumulative Total										16	27	37	49	59	65	65	68	70	73	75	81	86	89	93	106	123	130	137	154
SALES BY PRICE BAND																													
<$1M										12	9	9	11	10	6	0	0	0	1	0	1	1	1	0	1	7	2	1	0
$1M-$2M										2	1	1	1	0	0	0	1	1	2	1	2	2	1	2	5	4	1	1	5
$2M-$3M										1	1	0	0	0	0	0	1	1	0	1	2	1	1	1	3	2	2	2	6
$3M+										1	0	0	0	0	0	0	1	0	0	0	1	1	0	1	4	4	2	3	6
Total										16	11	10	12	10	6	0	3	2	3	2	6	5	3	4	13	17	7	7	17
AVERAGE QUARTERLY SALES BY PRICE BAND																													
<$1M										3	5	7	10	10	9	7	4	2	0	0	1	1	1	1	1	2	3	3	3
$1M-$2M										1	1	1	1	1	1	0	0	1	1	1	2	2	2	2	3	3	3	3	3
$2M-$3M										0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	2	2	2	2	3
$3M+										0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	2	3	3	4
Total										4	7	9	12	11	10	7	5	3	2	3	3	4	4	5	6	9	10	11	12

SOURCE: RCLCO

RCLCO
REAL ESTATE ADVISORS

Exhibit I-10B
U4-13830.00
Printed: 11/28/2016

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit I-10B

PROJECTED SALES TIMELINE -- DOWNSIDE CASE (SALES OFF 40% Q4 2018-Q2 2020)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2017-2026

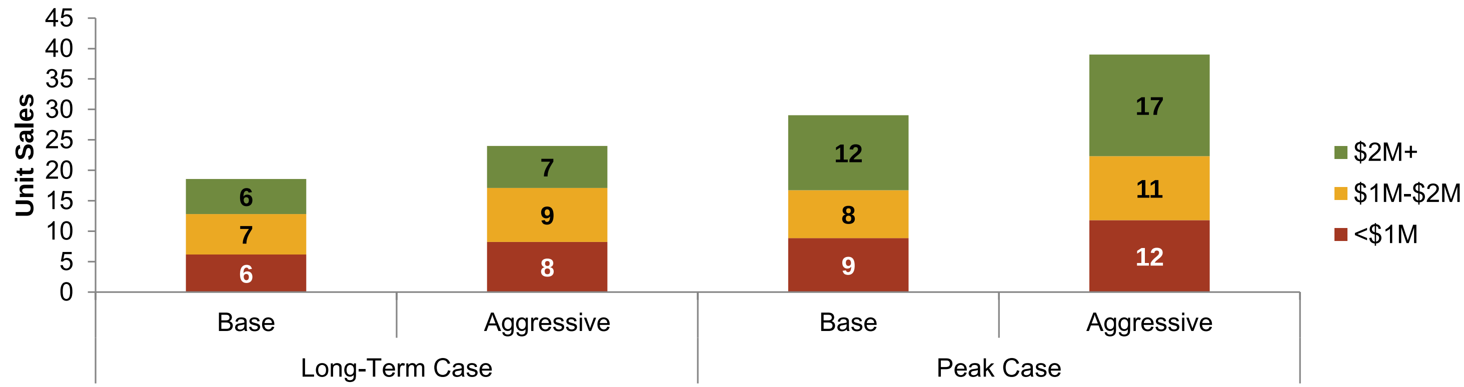
					PRICE DISTRIBUTION					STABILIZED																			
										2022				2023				2024				2025				2026			
UNIT TYPE	UNITS	AVG. SIZE (SF)	AVG. $/SF	AVG. PRICE	<$1M	$1M-$2M	$2M-$3M	$3M+	TOTAL	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building 10B																													
Studio		0							0																				
1B	16	943	$1,000	$943,000	60%	40%			16												5	5	2	2	2				
2B	17	1,290	$1,150	$1,483,000		100%			17												2	2	1	1	4	4	2	1	
3B	9	1,857	$1,350	$2,506,700			100%		9												2	2	1	1	2	1			
4B									0																				
5B									0																				
Total/Wtd. Avg.	42	1,279	$1,173	$1,500,000					42	0	0	0	0	0	0	0	0	0	0	0	9	9	4	4	8	5	2	1	0
Overall Project																													
Studio										0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1B										0	0	0	5	5	3	3	4	0	0	0	5	5	2	2	2	0	0	0	0
2B										5	1	1	7	7	2	2	4	4	1	1	5	5	2	1	4	4	2	1	0
3B										2	2	2	4	4	2	2	5	5	2	2	8	8	3	3	7	1	0	0	0
4B										5	3	2	4	4	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
5B										1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total										13	6	5	21	21	9	9	15	9	3	3	18	18	7	6	13	5	2	1	0
Annual										45				54				33				44				8			
Cumulative Total										167	173	178	199	220	229	238	253	262	265	268	286	304	311	317	330	335	337	338	338
SALES BY PRICE BAND																													
<$1M										0	0	0	4	4	2	2	3	0	0	0	3	3	1	1	1	0	0	0	0
$1M-$2M										5	1	1	8	8	3	3	5	5	1	1	8	8	3	2	6	4	2	1	0
$2M-$3M										2	2	2	4	4	2	2	5	5	2	2	7	7	3	3	6	1	0	0	0
$3M+										6	3	2	5	5	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Total										13	6	5	21	21	9	9	15	9	3	3	18	18	7	6	13	5	2	1	0
AVERAGE QUARTERLY SALES BY PRICE BAND																													
<$1M										1	0	0	1	2	3	3	3	2	1	1	1	2	2	2	2	1	1	0	0
$1M-$2M										3	3	3	4	5	5	6	5	4	3	3	4	5	5	5	5	4	3	3	2
$2M-$3M										3	3	3	2	3	3	3	3	3	3	3	4	5	5	5	5	3	3	2	0
$3M+										4	4	4	4	4	4	4	3	2	1	1	0	0	0	0	0	0	0	0	0
Total										11	11	10	11	13	14	15	14	11	9	8	8	11	12	12	11	8	7	5	2

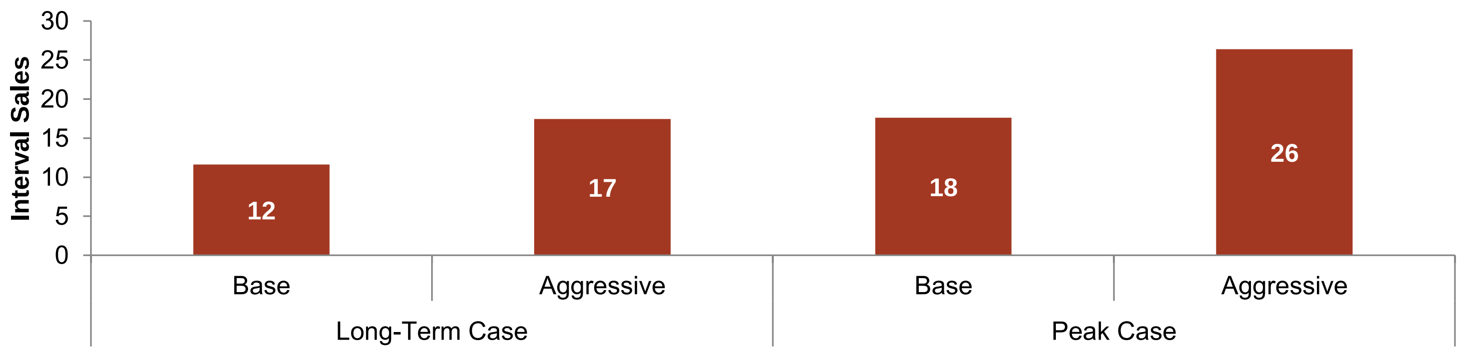
SOURCE: RCLCO

II. RESIDENTIAL DEMAND ANALYSIS

Exhibit II-1A

**ANNUAL DEMAND POTENTIAL BASED ON DEMONSTRATED SALES VOLUME
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2016**





NOTE: Sales are filtered to remove outliers below $50,000, as well as over $12 million for Condos and $20 million for SFD homes.
SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-1B

DEMAND ANALYSIS BASED ON DEMONSTRATED SALES VOLUME AND CAPTURE SCENARIOS (LONG-TERM CASE)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2000-2016 (ANNUALIZED)

SALES VOLUME SCENARIOS - SNOWMASS, CO					
PRODUCT TYPE	PRICE RANGE	CURRENT CYCLE AVERAGE [1] (2012 to 2016[2])	LONG RUN AVERAGE [1] (2000 to 2016[2])	HISTORICAL PEAK AVERAGE [1] (2004 to 2007)	WEIGHTED AVERAGE
Condo	$500K-$1M	33	37	59	41
Condo	$1M-$2M	23	20	26	22
Condo	$2M+	6	10	20	12
SFD	$1M-$2M	14	17	25	18
SFD	$2M-$3M	11	11	15	12
SFD	$3M+	15	21	34	23
Fractional	$250K-$350K	8	19	14	15
Fractional	$350K+	0	13	31	14
Weight		25%	50%	25%	

SUBJECT SITE CAPTURE RATE OF SNOWMASS WEIGHTED AVERAGE FROM ABOVE [3]				
PRODUCT TYPE	PRICE RANGE	CONSERVATIVE	BASE	AGGRESSIVE
Condo	$500K-$1M	10%	15%	20%
Condo	$1M-$2M	20%	30%	40%
Condo	$2M+	40%	50%	60%
SFD	$1M-$2M	0%	0%	0%
SFD	$2M-$3M	0%	5%	10%
SFD	$3M+	0%	5%	10%
Fractional	$250K-$350K	20%	40%	60%
Fractional	$350K+	20%	40%	60%

SUBJECT SITE SALES VOLUME					
PRODUCT TYPE	PRICE RANGE	WEIGHTED AVERAGE SALES SCENARIO	CONSERVATIVE	BASE	AGGRESSIVE
Condo	$500K-$1M	41	4	6	8
Condo	$1M-$2M	22	4	7	9
Condo	$2M+	12	5	6	7
SFD	$1M-$2M	18	0	0	0
SFD	$2M-$3M	12	0	1	1
SFD	$3M+	23	0	1	2
Fractional	$250K-$350K	15	3	6	9
Fractional	$350K+	14	3	6	9

NOTE: Sales are filtered to remove outliers below $50,000, as well as over $12 million for Condos and $20 million for SFD homes.
[1] See Exhibit Section III for detailed information on historical sales in the greater Aspen region and Snowmass Village.
[2] 2016 Sales are annualized.
[3] Capture rates are applied to the weighted average sales volume scenario.
SOURCE: Pitkin County Property Appraiser; RCLCO

RCLCO
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-1C

DEMAND ANALYSIS BASED ON DEMONSTRATED SALES VOLUME AND CAPTURE SCENARIOS (PEAK CASE)
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2000-2016 (ANNUALIZED)

SALES VOLUME SCENARIOS - SNOWMASS, CO

PRODUCT TYPE	PRICE RANGE	CURRENT CYCLE AVERAGE [1] (2012 to 2016[2])	LONG RUN AVERAGE [1] (2000 to 2016[2])	HISTORICAL PEAK AVERAGE [1] (2004 to 2007)	WEIGHTED AVERAGE
Condo	$500K-$1M	33	37	59	59
Condo	$1M-$2M	23	20	26	26
Condo	$2M+	6	10	20	20
SFD	$1M-$2M	14	17	25	25
SFD	$2M-$3M	11	11	15	15
SFD	$3M+	15	21	34	34
Fractional	$250K-$350K	8	19	14	14
Fractional	$350K+	0	13	31	31
Weight		0%	0%	100%	

SUBJECT SITE CAPTURE RATE OF SNOWMASS WEIGHTED AVERAGE FROM ABOVE [3]

PRODUCT TYPE	PRICE RANGE	CONSERVATIVE	BASE	AGGRESSIVE
Condo	$500K-$1M	10%	15%	20%
Condo	$1M-$2M	20%	30%	40%
Condo	$2M+	40%	50%	60%
SFD	$1M-$2M	0%	0%	0%
SFD	$2M-$3M	0%	5%	10%
SFD	$3M+	0%	5%	10%
Fractional	$250K-$350K	20%	40%	60%
Fractional	$350K+	20%	40%	60%

SUBJECT SITE SALES VOLUME

PRODUCT TYPE	PRICE RANGE	WEIGHTED AVERAGE SALES SCENARIO	CONSERVATIVE	BASE	AGGRESSIVE
Condo	$500K-$1M	59	6	9	12
Condo	$1M-$2M	26	5	8	11
Condo	$2M+	20	8	10	12
SFD	$1M-$2M	25	0	0	0
SFD	$2M-$3M	15	0	1	2
SFD	$3M+	34	0	2	3
Fractional	$250K-$350K	14	3	5	8
Fractional	$350K+	31	6	12	18

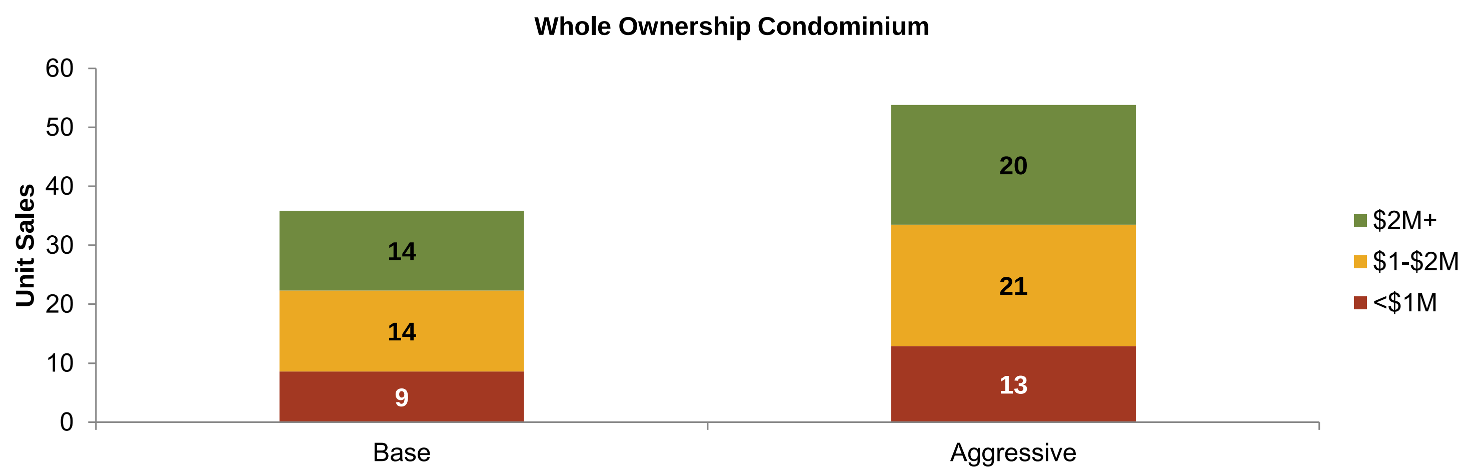
NOTE: Sales are filtered to remove outliers below $50,000, as well as over $12 million for Condos and $20 million for SFD homes.
[1] See Exhibit Section III for detailed information on historical sales in the greater Aspen region and Snowmass Village.
[2] 2016 Sales are annualized.
[3] Capture rates are applied to the weighted average sales volume scenario.
SOURCE: Pitkin County Property Appraiser; RCLCO

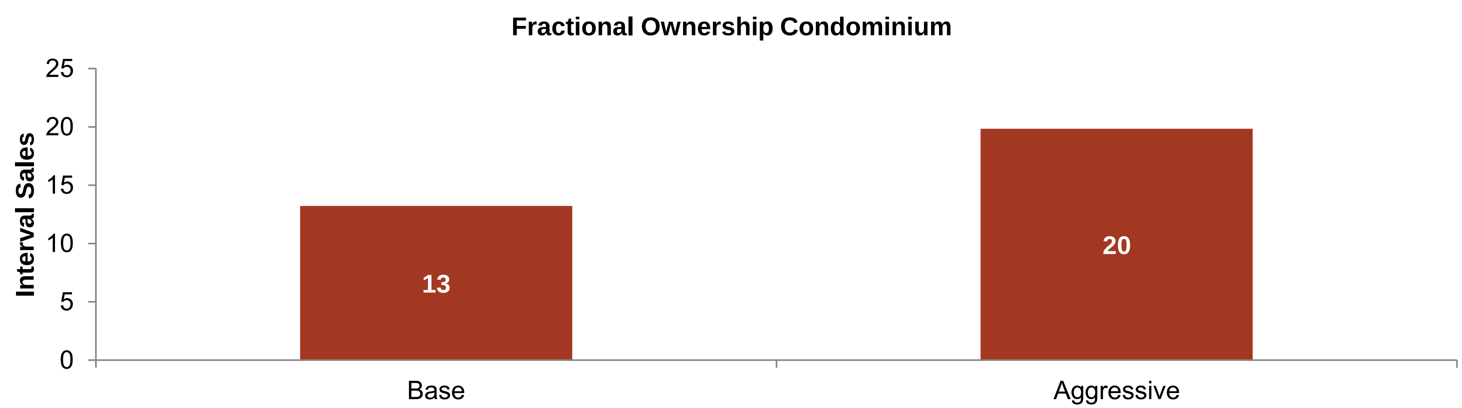
RCLCO
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-2A

ANNUAL DEMAND POTENTIAL BASED ON DEMOGRAPHIC DEMAND ANALYSIS
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, COLORADO
2016





NOTE: Aggressive is 150% of Base scenario. See Exhibit II-2B.
SOURCE: RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-2B

ESTIMATED WHOLE OWNERSHIP CONDOMINIUM DEMAND POTENTIAL
HIGH-NET WORTH HOUSEHOLDS IN SOURCE MARKETS
SNOWMASS BASE VILLAGE
2016

	PRIMARY SOURCE MARKETS				
	WEST	MIDWEST	NORTHEAST	SOUTH	TOTAL
Projected National Demand for Ski-Oriented, Whole Ownership Condominiums					
Number of High Net Worth Individuals (HNWI) by Region					
Households by Net Worth[1]					
# of HNWI ($2M-$5M)	527,624	329,227	498,429	650,860	**2,006,140**
# of HNWI ($5M-$10M)	140,505	87,673	132,731	173,323	**534,232**
# of HNWI ($10M+)	82,974	51,774	78,383	102,354	**315,486**
Total	**751,103**	**468,674**	**709,543**	**926,537**	**2,855,858**
Number of HNWI Who Plan to Purchase Vacation Condominium in Next 12 Months					
% "Considering Purchasing" Whole Ownership Vacation Condominium in Next 12 Months [2]	1.5%	1.5%	1.5%	1.5%	**1.5%**
# of HNWI ($2M-$5M)	8,142	5,080	7,691	10,044	**30,958**
# of HNWI ($5M-$10M)	2,168	1,353	2,048	2,675	**8,244**
# of HNWI ($10M+)	1,280	799	1,210	1,579	**4,868**
Total	**11,591**	**7,232**	**10,949**	**14,298**	**44,070**
Number of HNWI Who Would Consider Aspen/Snowmass Based on Distance to Primary Residence					
Consider Purchase Based on Distance from Primary Residence [3]	51.4%	51.4%	51.4%	51.4%	**51.4%**
# of HNWI ($2M-$5M)	4,182	2,609	3,950	5,158	**15,899**
# of HNWI ($5M-$10M)	1,114	695	1,052	1,374	**4,234**
# of HNWI ($10M+)	658	410	621	811	**2,500**
Total	**5,953**	**3,714**	**5,623**	**7,343**	**22,634**
Number of HNWI Who Prefer Ski Properties from Primary Source Markets					
Prefer Ski Properties[4]	22.1%	22.1%	22.1%	22.1%	**22.1%**
# of HNWI ($2M-$5M)	922	575	871	1,137	**3,506**
# of HNWI ($5M-$10M)	246	153	232	303	**934**
# of HNWI ($10M+)	145	90	137	179	**551**
Total	**1,313**	**819**	**1,240**	**1,619**	**4,991**

Exhibit II-2B

ESTIMATED WHOLE OWNERSHIP CONDOMINIUM DEMAND POTENTIAL
HIGH-NET WORTH HOUSEHOLDS IN SOURCE MARKETS
SNOWMASS BASE VILLAGE
2016

	PRIMARY SOURCE MARKETS				
	WEST	MIDWEST	NORTHEAST	SOUTH	TOTAL
Snowmass Center Capture of Projected Demand					
Base Scenario - Number of HNWI Who Consider Whole Ownership Condos at Snowmass Base Village					
% of HNWI who consider whole ownership condos in Aspen/Snowmass[5]	5.9%	3.4%	3.4%	3.4%	
% of HNWI ($2M-$5M) who would consider whole ownership condos at Snowmass Base Village[5]	5.0%	5.0%	5.0%	5.0%	
% of HNWI ($5-$10M) who would consider whole ownership condos at Snowmass Base Village[5]	30.0%	30.0%	30.0%	30.0%	
% of HNWI ($10M+) who would consider whole ownership condos at Snowmass Base Village[5]	50.0%	50.0%	50.0%	50.0%	
Net % of HNWI ($2M-$5M) who would consider whole ownership condos at Snowmass Base Village	0.3%	0.2%	0.2%	0.2%	**0.2%**
Net % of HNWI ($5-$10M) who would consider whole ownership condos at Snowmass Base Village	1.8%	1.0%	1.0%	1.0%	**1.2%**
Net % of HNWI ($10M+) who would consider whole ownership condos at Snowmass Base Village	2.9%	1.7%	1.7%	1.7%	**2.0%**
# of HNWI ($2M-$5M)	3	1	2	2	**7**
# of HNWI ($5M-$10M)	4	2	2	3	**11**
# of HNWI ($10M+)	4	2	2	3	**11**
Total	**11**	**4**	**6**	**8**	**30**
Base Scenario - Including Demand Originating from Secondary Source Markets					
% of HNWI Originating from Secondary Source Markets[6]	20.0%	20.0%	20.0%	20.0%	
# of HNWI ($2M-$5M)	**3**	**1**	**2**	**2**	**9**
# of HNWI ($5M-$10M)	**5**	**2**	**3**	**4**	**14**
# of HNWI ($10M+)	**5**	**2**	**3**	**4**	**14**
Total	**14**	**5**	**8**	**10**	**36**

[1] See Exhibits II-3A, 3B, 3C, and 3D for an analysis of U.S. households by net worth.
[2] Per 2015 Resonance Recreational Real Estate Report. See Exhibit II-4A
[3] Per 2015 Resonance Recreational Real Estate Report and 2016 NAR Investment and Vacation Home Buyers Survey. See Exhibit II-5A
[4] Per 2015 Resonance Recreational Real Estate Report. See Exhibit II-6A
[5] Capture based on alternative Ski locations and projects within similar distance to primary residence. See Exhibit II-6B
[6] Adjustment to reflect demand from secondary source markets in the United States and internationally.
[7] Adjustment applied to the Base Scenario capture rate.
SOURCE: Esri Business Analyst; 2015 Resonance Recreational Real Estate Report; Credit Suisse; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-2C

ESTIMATED FRACTIONAL CONDOMINIUM DEMAND POTENTIAL
HIGH-NET WORTH HOUSEHOLDS IN SOURCE MARKETS
SNOWMASS BASE VILLAGE
2016

	PRIMARY SOURCE MARKETS				
	WEST	MIDWEST	NORTHEAST	SOUTH	TOTAL
Projected National Demand for Ski-Oriented, Fractional Ownership Condos					
Number of High Net Worth Individuals (HNWI) by Region					
Households by Net Worth[1]					
# of HNWI ($5M+)	223,480	139,447	211,114	275,677	**849,718**
Number of HNWI Who Plan to Purchase Vacation Home in Next 12 Months					
% "Considering Purchasing" Fractional Ownership in Next 12 Months [2]	0.8%	0.8%	0.8%	0.8%	**0.8%**
# of HNWI ($5M+)	1,897	1,184	1,792	2,340	**7,212**
Number of HNWI Who Would Consider Aspen/Snowmass Based on Distance to Primary Residence					
Consider Purchase Based on Distance from Primary Residence [3]	51.4%	51.4%	51.4%	51.4%	**51.4%**
# of HNWI ($5M+)	974	608	920	1,202	**3,704**
Number of HNWI Who Prefer Ski Properties from Primary Source Markets					
Prefer Ski Properties[4]	22.1%	22.1%	22.1%	22.1%	**22.1%**
# of HNWI ($5M+)	215	134	203	265	**817**

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-2C

ESTIMATED FRACTIONAL CONDOMINIUM DEMAND POTENTIAL
HIGH-NET WORTH HOUSEHOLDS IN SOURCE MARKETS
SNOWMASS BASE VILLAGE
2016

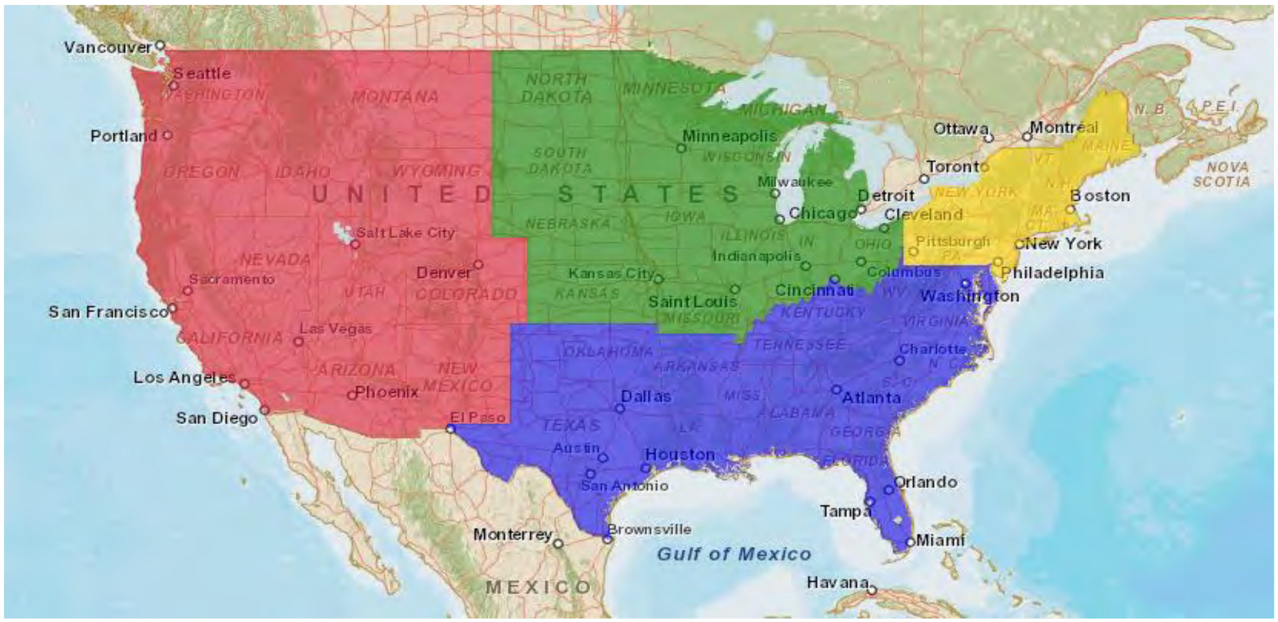
	PRIMARY SOURCE MARKETS				
	WEST	MIDWEST	NORTHEAST	SOUTH	TOTAL
Snowmass Center Capture of Projected Demand					
Base Scenario - Number of HNWI Who Consider Fractional Ownership at Snowmass Base Village					
% of HNWI who consider fractional ownership in Aspen/Snowmass [5]	5.9%	3.4%	3.4%	3.4%	
% of HNWI who consider fractional ownership at Snowmass Base Village[5]	33.0%	33.0%	33.0%	33.0%	
Net % of HNWI who consider fractional ownership at Snowmass Base Village	1.9%	1.1%	1.1%	1.1%	**1.3%**
# of HNWI ($5M+) who consider fractional ownership at Snowmass Base Village	4	2	2	3	11
Base Scenario - Including Demand Originating from Secondary Source Markets					
% of HNWI Originating from Secondary Source Markets[6]	20.0%	20.0%	20.0%	20.0%	
# of HNWI ($5M+)	**5**	**2**	**3**	**4**	**13**

[1] See Exhibits II-3A, 3B, 3C, and 3D for an analysis of U.S. households by net worth.
[2] Per 2015 Resonance Recreational Real Estate Report. See Exhibit II-4A
[3] Per 2015 Resonance Recreational Real Estate Report and 2016 NAR Investment and Vacation Home Buyers Survey. See Exhibit II-5A
[4] Per 2015 Resonance Recreational Real Estate Report. See Exhibit II-6A
[5] Capture based on alternative Ski locations and projects within similar distance to primary residence. See Exhibit II-6B
[6] Adjustment to reflect demand from secondary source markets in the United States and internationally.
[7] Adjustment applied to the Base Scenario capture rate.
SOURCE: Esri Business Analyst; 2015 Resonance Recreational Real Estate Report; Credit Suisse; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-3A

SUMMARY OF PRIMARY SOURCE MARKETS
REGIONS OF UNITED STATES
SEPTEMBER 2016



SOURCE REGION	HOUSEHOLD NET WORTH $2M- $5M	$5M-$10M	$10M-$20M	$20M+	TOTAL
West[1]	527,624	140,505	60,705	22,269	**751,103**
Midwest	329,227	87,673	37,879	13,895	**468,674**
Northeast	498,429	132,731	57,346	21,037	**709,543**
South	650,860	173,323	74,884	27,470	**926,537**
Total	**2,006,140**	**534,232**	**230,815**	**84,671**	**2,855,858**

[1] West Region includes Hawaii and Alaska, even though they are not pictured on the map
SOURCE: Esri Business Analyst; Credit Suisse; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-3B

HOUSEHOLDS BY NET WORTH
REGIONS OF UNITED STATES
2016

	UNITED STATES	WEST	MIDWEST	NORTHEAST	SOUTH
Total Households [1]	121,786,233	26,939,355	26,895,429	21,716,273	46,235,176
% of HHs with Income > $200,000 [2]	5.40%	6.40%	4.00%	7.50%	4.60%
Multiplier [3]	1.00	1.19	0.74	1.39	0.85
Distribution of Net Worth [4]					
$2,000,000 - $4,999,999	1.65%	1.96%	1.22%	2.30%	1.41%
$5,000,000 - $9,999,999	0.44%	0.52%	0.33%	0.61%	0.37%
$10,000,000 - $19,999,999	0.19%	0.23%	0.14%	0.26%	0.16%
$20,000,000 and greater	0.07%	0.08%	0.05%	0.10%	0.06%
Households by Net Worth					
$2,000,000 - $4,999,999		527,624	329,227	498,429	650,860
$5,000,000 - $9,999,999		140,505	87,673	132,731	173,323
$10,000,000 - $19,999,999		60,705	37,879	57,346	74,884
$20,000,000 and greater		22,269	13,895	21,037	27,470
Total		**751,103**	**468,674**	**709,543**	**926,537**

[1] Estimates for 2016 from ESRI Business Analyst.
[2] Distribution of income per ESRI Business Analyst and U.S. Census Bureau.
[3] Reflects the higher concentration of wealth in the target source markets relative to the nation.
[4] Based on the Credit Suisse "Global Wealth Report." See Exhibit 3D.
SOURCE: Esri Business Analyst; Credit Suisse; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-3C

KEY DEMOGRAPHICS
REGIONS OF UNITED STATES
2016

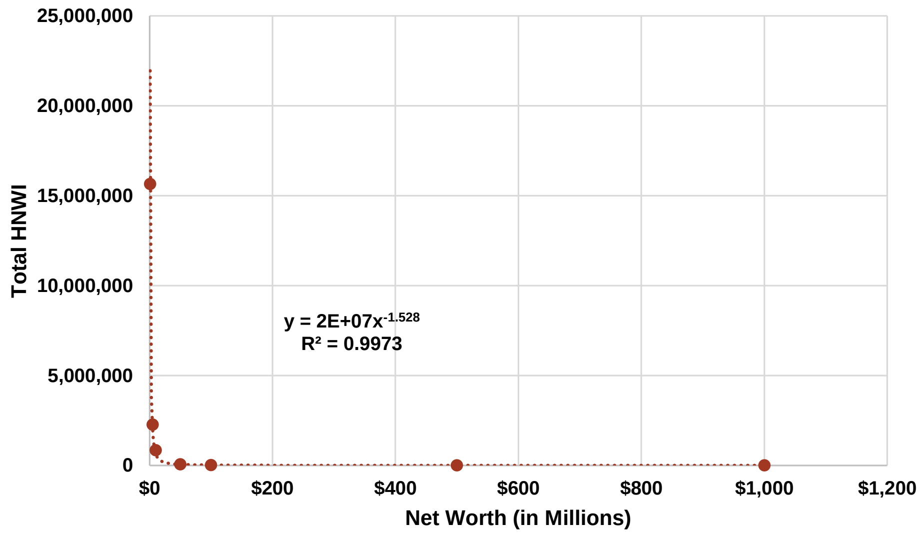
	WEST		MIDWEST		NORTHEAST		SOUTH	
	Total	%	Total	%	Total	%	Total	%
Total Population	76,100,789		68,545,444		56,740,576		122,193,817	
Total Households	26,939,355		26,895,429		21,716,273		46,235,176	
Owner Occupied	15,757,920	58.5%	18,091,792	67.3%	13,106,628	60.4%	29,470,802	63.7%
Renter occupied	11,181,435	41.5%	8,803,637	32.7%	8,609,645	39.6%	16,764,374	36.3%
Households by Income								
Less than $50,000	11,422,287	42.4%	12,667,747	47.1%	9,077,402	41.8%	22,793,942	49.3%
$50,000 - $100,000	8,162,625	30.3%	8,445,165	31.4%	6,297,719	29.0%	13,500,671	29.2%
$100,000 - $150,000	3,960,085	14.7%	3,469,510	12.9%	3,279,157	15.1%	5,640,691	12.2%
$150,000 - $200,000	1,643,301	6.1%	1,210,294	4.5%	1,454,990	6.7%	2,126,818	4.6%
Greater than $200,000	1,724,119	6.4%	1,075,817	4.0%	1,628,720	7.5%	2,126,818	4.6%

SOURCE: ESRI Business Analyst; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-3D

NET WORTH ACCORDING TO THE CREDIT SUISSE GLOBAL WEALTH REPORT
UNITED STATES
AS OF OCTOBER 2015



HNWI BY NET WORTH[1]	
> $1 million	15,655,608
> $5 million	2,264,890
> $10 million	840,916
> $50 million	58,855
> $100 million	19,645
> $500 million	1,537
> $1 billion	513

Regression Formula
# of HNWI = 21,952,434 x Wealth ^ -1.5280

NET WORTH	POPULATION[2]
> $1 million	15,655,608
> $2 million	*7,612,174*
> $5 million	2,264,890
> $10 million	840,916
> $20 million	*225,688*

WEALTH BRACKETS	TOTAL POPULATION	% of US POPULATION
$1,000,000 - $1,999,999	8,043,434	2.5%
$2,000,000 - $4,999,999	5,347,284	1.7%
$5,000,000 - $9,999,999	1,423,974	0.4%
$10,000,000 - $19,999,999	615,228	0.2%
$20,000,000 +	225,688	0.1%

[1] Data from Credit Suisse's *Global Wealth Databook*, October 2015.

[2] The analysis uses the regression formula to estimate total HNWI with a net worth of at least $2 million and $20 million.

SOURCE: Credit Suisse; RCLCO

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BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-4A

VACATION PROPERTY TYPE CONSIDERATIONS
UNITED STATES
2015

	FRACTIONAL/PRC	WHOLE OWNERSHIP CONDO
Intender High Net Worth Households ($1M+) [1]	146	146
% of Intenders Considering Purchase Within Next 24 Months [2]	22.0%	40.0%
# of Intenders Considering Purchase Within Next 24 Months	32	58
Total High Net Worth Households ($1M+)	946	946
% of All Considering Purchase Within Next 24 Months	3.4%	6.2%
% of All Considering Purchase Within Next 12 Months	**1.7%**	**3.1%**
Cycle Adjustment [3]	50.0%	50.0%
Adjusted % Considering Purchase Within Next 12 Months	**0.8%**	**1.5%**

[1] Intenders are households that are considering a purchase in the next 24 months.
[2] See Exhibit II-4B.
[3] Adjustment to reflect the real estate cycle.
SOURCE: 2015 Resonance Recreational Real Estate Report; RCLCO

Exhibit II-4B

VACATION PROPERTY TYPE CONSIDERATIONS BY NET WORTH
UNITED STATES
2015

	TOTAL INTENDERS	INTENDERS BY NET WORTH <$250K	INTENDERS BY NET WORTH $250K-$999K	INTENDERS BY NET WORTH $1M+
# of Intenders Who Responded	637	215	265	146
Property Type Intender is Considering				
Vacation Home	61%	59%	59%	63%
Home site to build vacation home in the future	54%	55%	52%	57%
Vacation Condominium	**46%**	**48%**	**48%**	**40%**
Destination Club Membership	36%	40%	40%	27%
Timeshare	**32%**	**37%**	**35%**	**24%**
Private Residence Club Membership	**31%**	**36%**	**34%**	**20%**
Hotel Condominium	**29%**	**37%**	**32%**	**17%**

NOTE: The question asked to respondents was "Which of the following do you own now, are considering purchasing, would like to own one day or would never consider purchasing?"

SOURCE: 2015 Resonance Recreational Real Estate Report; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-5A

VACATION PROPERTY DISTANCE FROM PRIMARY RESIDENCE CONSIDERATIONS
UNITED STATES
2016

	RESONANCE REPORT [1]			
	OWNERS	INTENDERS	NAR REPORT [2]	WEIGHTED AVERAGE
Vacation Property Distance from Primary Residence				
Less Than 200 Miles	23%	9%	44%	**25%**
200 to 299 Miles	12%	9%	6%	**9%**
300 to 399 Miles	19%	18%	6%	**14%**
400 Miles or More	45%	65%	44%	**51%**
Weight	33%	33%	33%	

[1] The question asked to respondents was "Approximately how far would you consider purchasing a vacation property from your primary residence?"
[2] Considers the average of survey results from NAR Reports from 2006 through 2015.
SOURCE: 2015 Resonance Recreational Real Estate Report; 2016 NAR Investment and Vacation Home Buyers Survey; RCLCO

Exhibit II-5B

TOP MOUNTAIN SKI RESORT DESTINATIONS BY LOCATION
UNITED STATES
2016

		WEST	MIDWEST	NORTHEAST	SOUTHEAST
Relevant Distance from Primary Residence	**# of Top Ski Resorts**	**> 400 Miles**	**> 400 Miles**	**> 400 Miles**	**> 400 Miles**
Vermont	4	0%	100%	100%	100%
Maine	2	0%	100%	100%	100%
New Hampshire	2	0%	100%	100%	100%
Connecticut	1	0%	100%	100%	100%
Colorado	4	100%	100%	100%	100%
Montana	2	100%	100%	100%	100%
California	1	100%	100%	100%	100%
Idaho	1	100%	100%	100%	100%
Utah	2	100%	100%	100%	100%
Wyoming	1	100%	100%	100%	100%
British Columbia	4	100%	100%	100%	100%
Alberta	2	100%	100%	100%	100%
Quebec	3	0%	100%	100%	100%
Total Competitive Locations		**17**	**29**	**29**	**29**
Aspen Fair Share		**5.9%**	**3.4%**	**3.4%**	**3.4%**

SOURCE: RCLCO

Exhibit II-6A

IMPORTANCE OF SKI PROPERTY FEATURES TO HIGH-NET WORTH INTENDERS ($1M+)
UNITED STATES
2015

	WEIGHT	IMPORTANCE
Proximity to Skiing	75%	19%
Other Relevant Features and Amenities [1]	25%	31%
Prefer Ski Resorts	**100%**	**22%**

[1] See Exhibit II-6B.
NOTE: The question asked to respondents was "On a scale of 1-10, how important are each of the following features in your decision to purchase a vacation home?"
SOURCE: 2015 Resonance Recreational Real Estate Report; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit II-6B

IMPORTANCE OF VACATION PROPERTY FEATURES BY NET WORTH
UNITED STATES
2015

		INTENDERS BY NET WORTH		
	TOTAL INTENDERS	<$250K	$250K-$999K	$1M+
Number of Intenders Who Responded	600	209	251	130
Proximity to beach	44%	43%	44%	48%
Guestrooms for friends and family	**41%**	**38%**	**40%**	**49%**
Outdoor living area	39%	35%	42%	40%
Access to swimming pool	**41%**	**36%**	**47%**	**37%**
Proximity to restaurants, shopping and nightlife	38%	39%	38%	40%
Garage	41%	40%	40%	47%
Open plan for entertaining	**36%**	**36%**	**38%**	**35%**
Availability of services to rent my home when not in use	**32%**	**30%**	**37%**	**27%**
Property management services	**35%**	**30%**	**36%**	**39%**
Gourmet kitchen	32%	36%	34%	27%
Access to walking trails	**35%**	**38%**	**32%**	**35%**
Sustainability/energy efficiency ratings	34%	34%	32%	35%
Within Driving Distance of My Primary Residence	27%	28%	32%	19%
Access to Fitness Facilities	**30%**	**28%**	**33%**	**29%**
Is Within a Private Gated Community	27%	27%	27%	30%
Home Theater	26%	25%	30%	22%
Access to Spa Facilities	**27%**	**35%**	**25%**	**24%**
Formal Dining Room	27%	30%	31%	20%
Features a Community Clubhouse	**26%**	**27%**	**29%**	**21%**
Home Office	24%	27%	24%	21%
Proximity to Golf Course	**23%**	**27%**	**25%**	**16%**
Availability of Kids' Programs	25%	29%	27%	21%
Proximity to Skiing	**21%**	**25%**	**21%**	**19%**
Other Relevant Features and Amenities	**33%**	**33%**	**34%**	**31%**

NOTE: The question asked to respondents was "On a scale of 1-10, how important are each of the following features in your decision to purchase a vacation home?"
SOURCE: 2015 Resonance Recreational Real Estate Report; RCLCO

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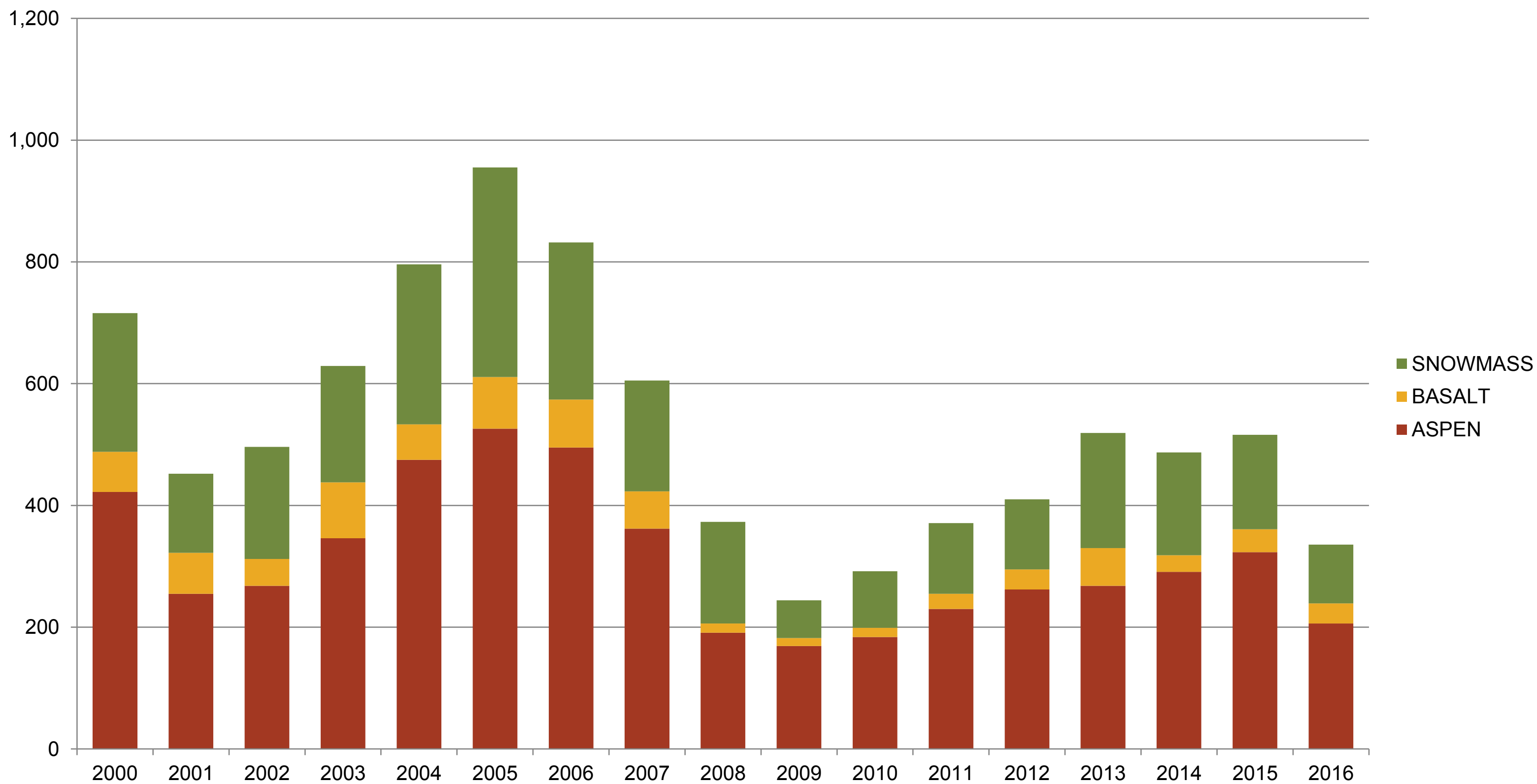
III. RESIDENTIAL MARKET TRENDS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-1

SFD AND CONDO TRANSACTIONS BY LOCATION
GREATER ASPEN REGION, COLORADO
2000-2016



NOTE: 2016 data is annualized. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo and Fractional outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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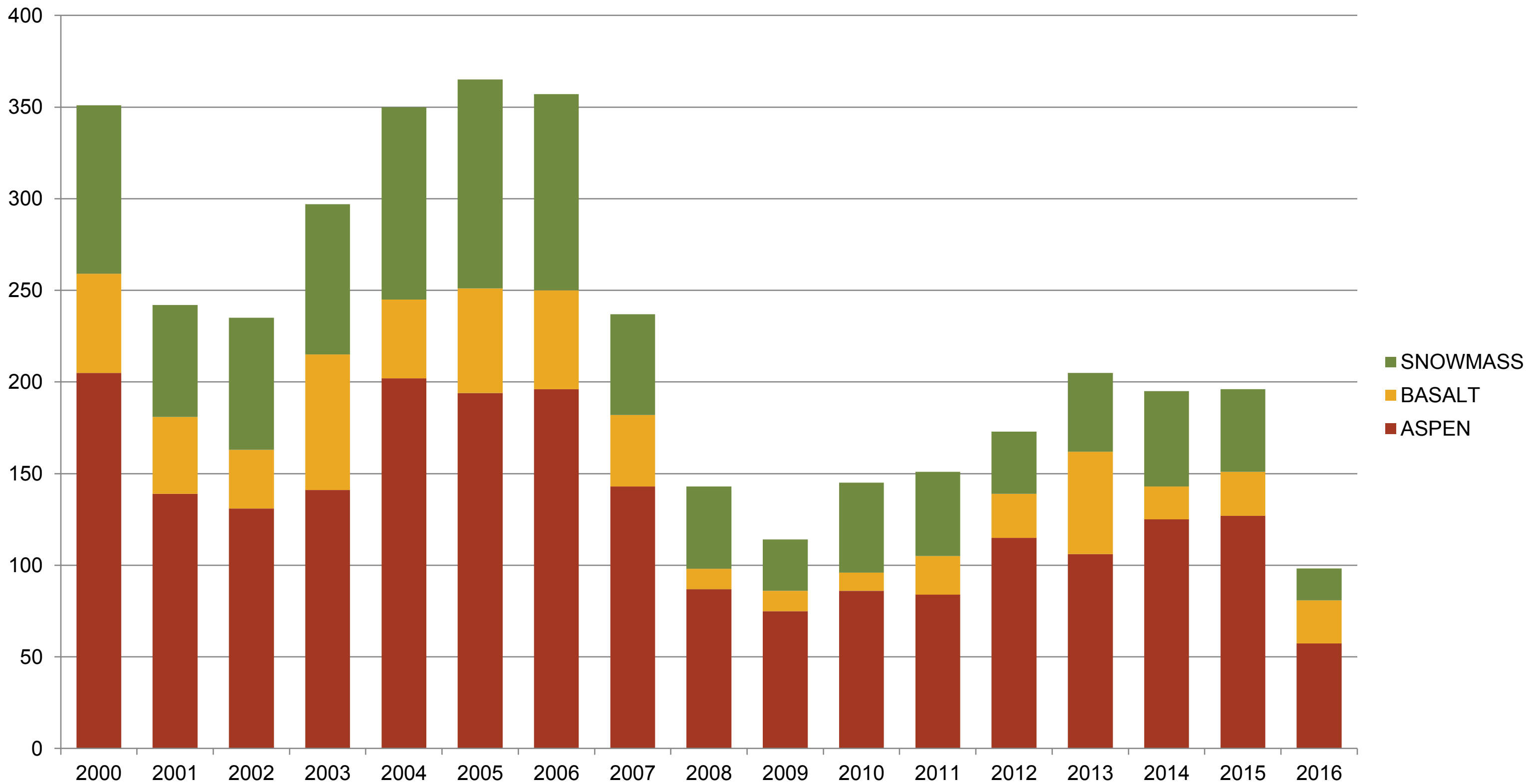
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-2

SFD TRANSACTIONS BY LOCATION
GREATER ASPEN REGION, COLORADO
2000-2016



NOTE: 2016 data is annualized. Sales are filtered to remove outliers below $50,000 and over $20 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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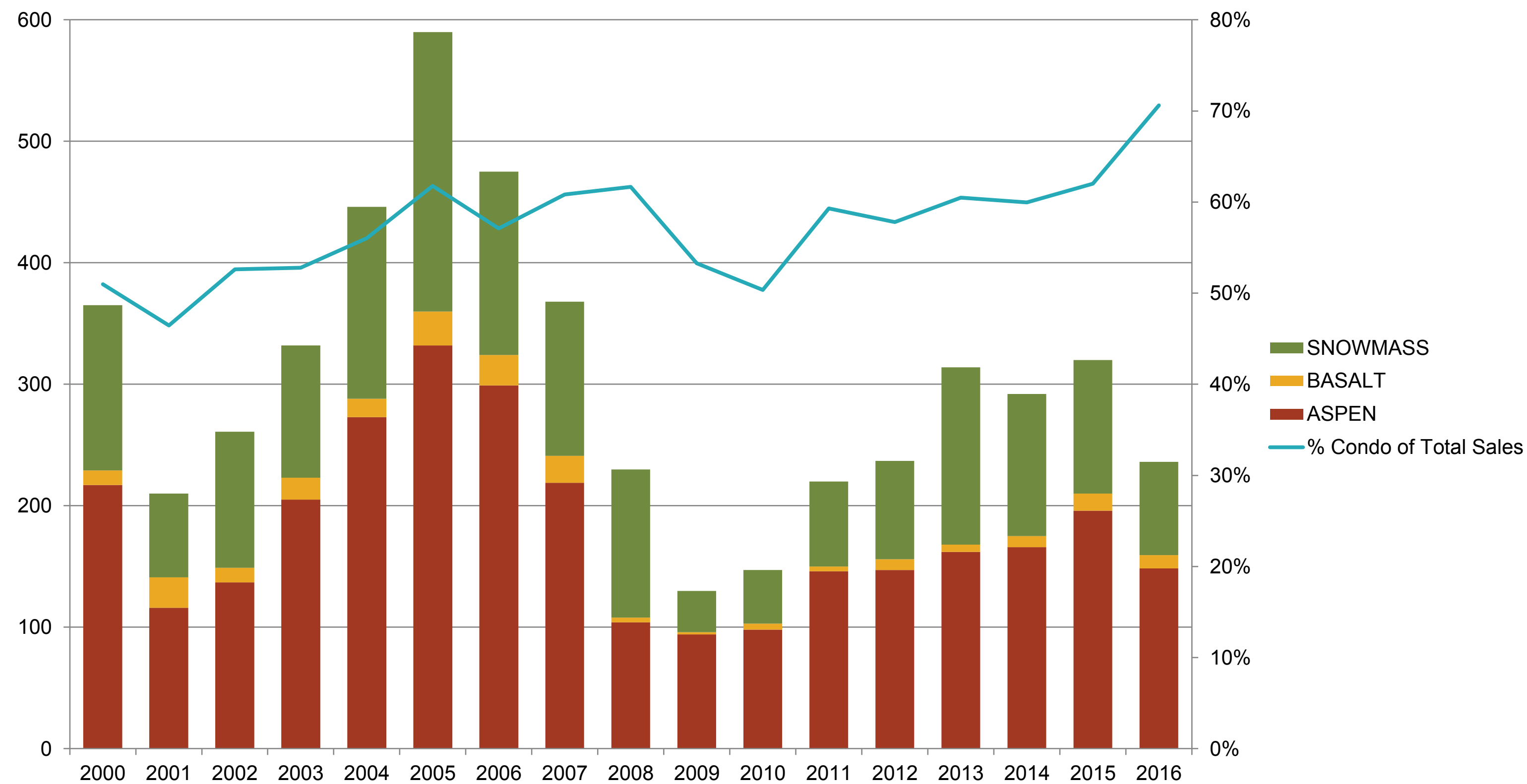
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-3

CONDO TRANSACTIONS BY LOCATION
GREATER ASPEN REGION, COLORADO
2000-2016



NOTE: 2016 data is annualized. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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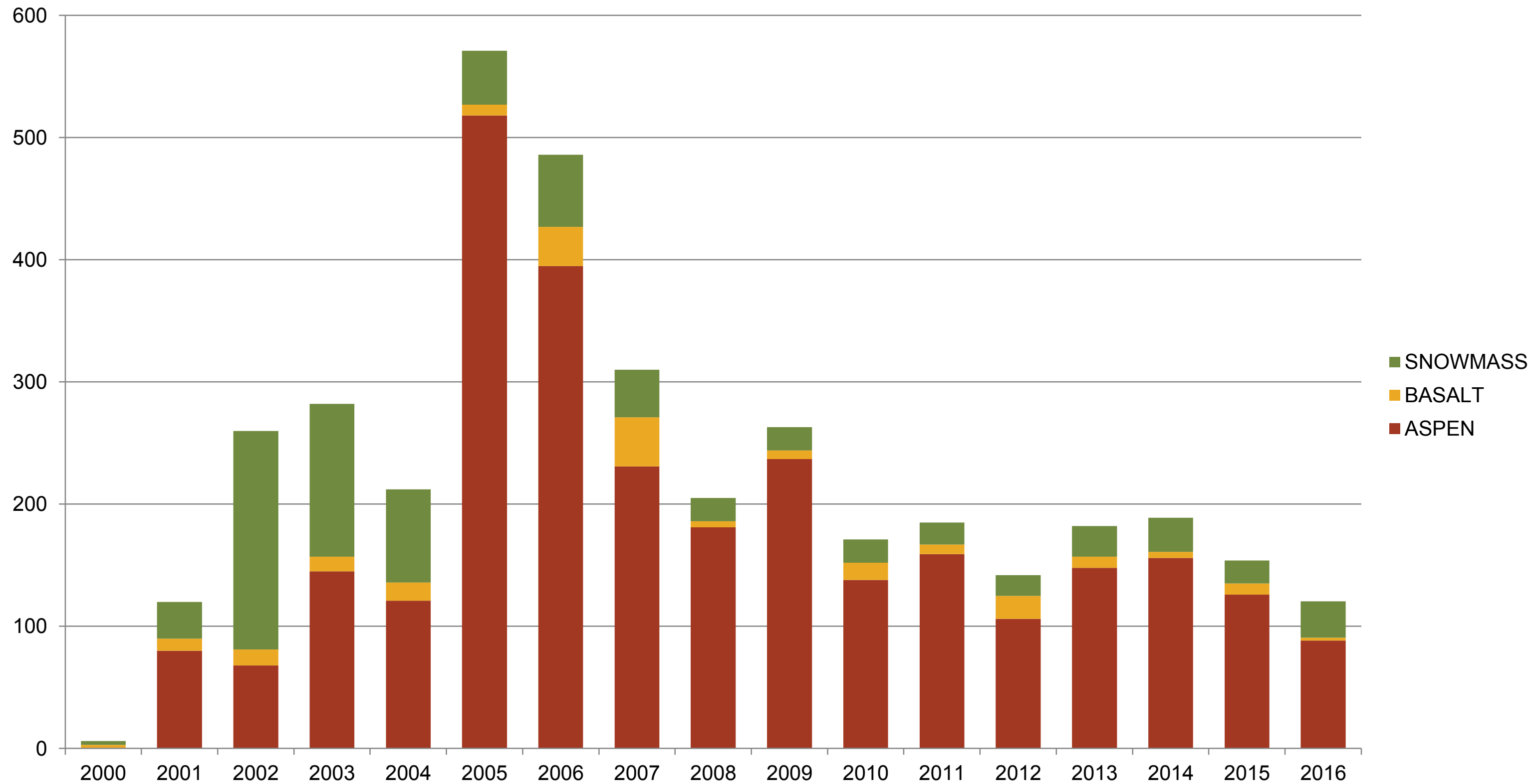
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-4

FRACTIONAL TRANSACTIONS BY LOCATION
GREATER ASPEN REGION, COLORADO
2000-2016

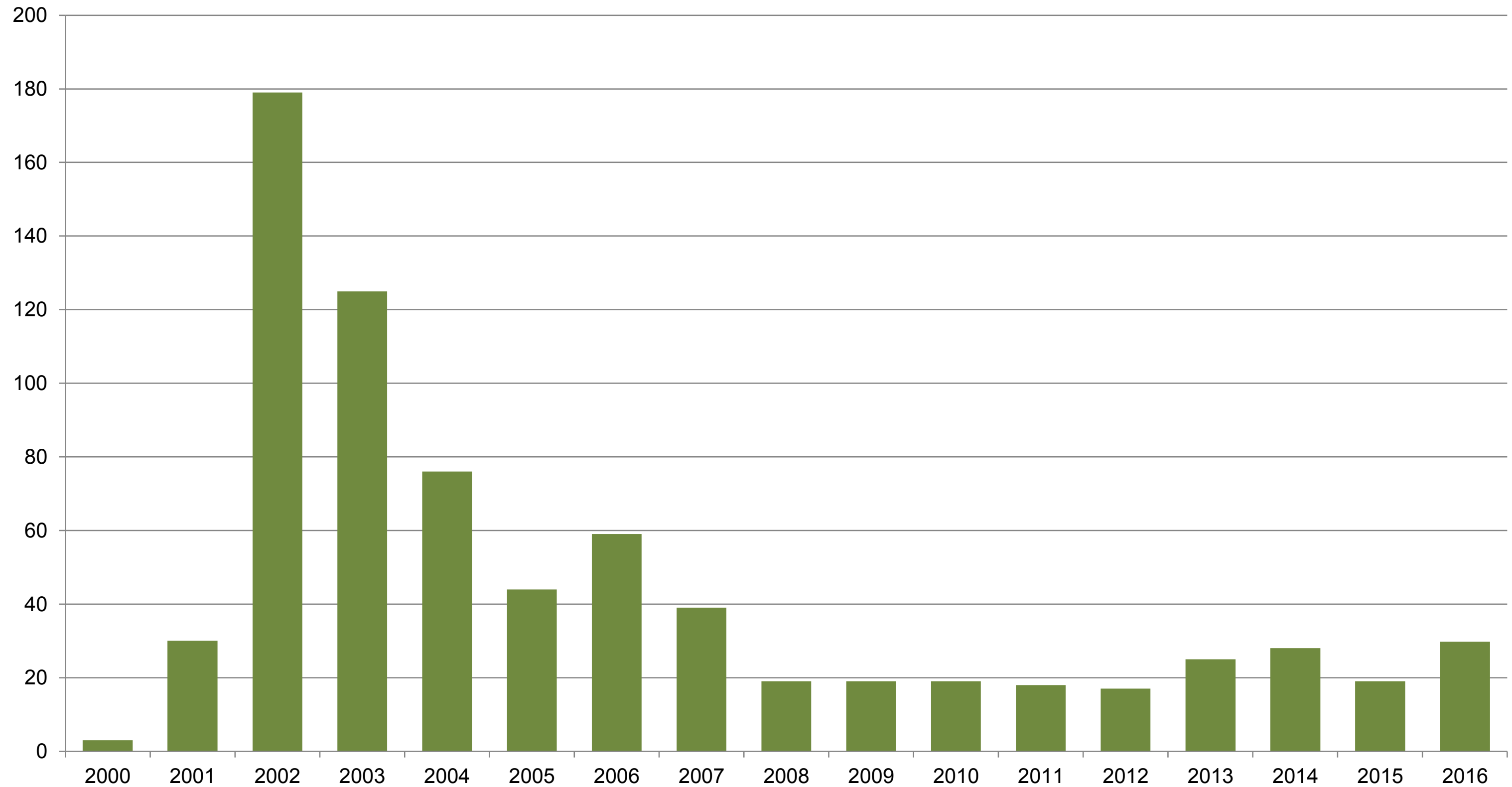


NOTE: 2016 data is annualized. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-5

FRACTIONAL TRANSACTIONS
SNOWMASS VILLAGE, COLORADO
2000-2016



NOTE: 2016 data is annualized. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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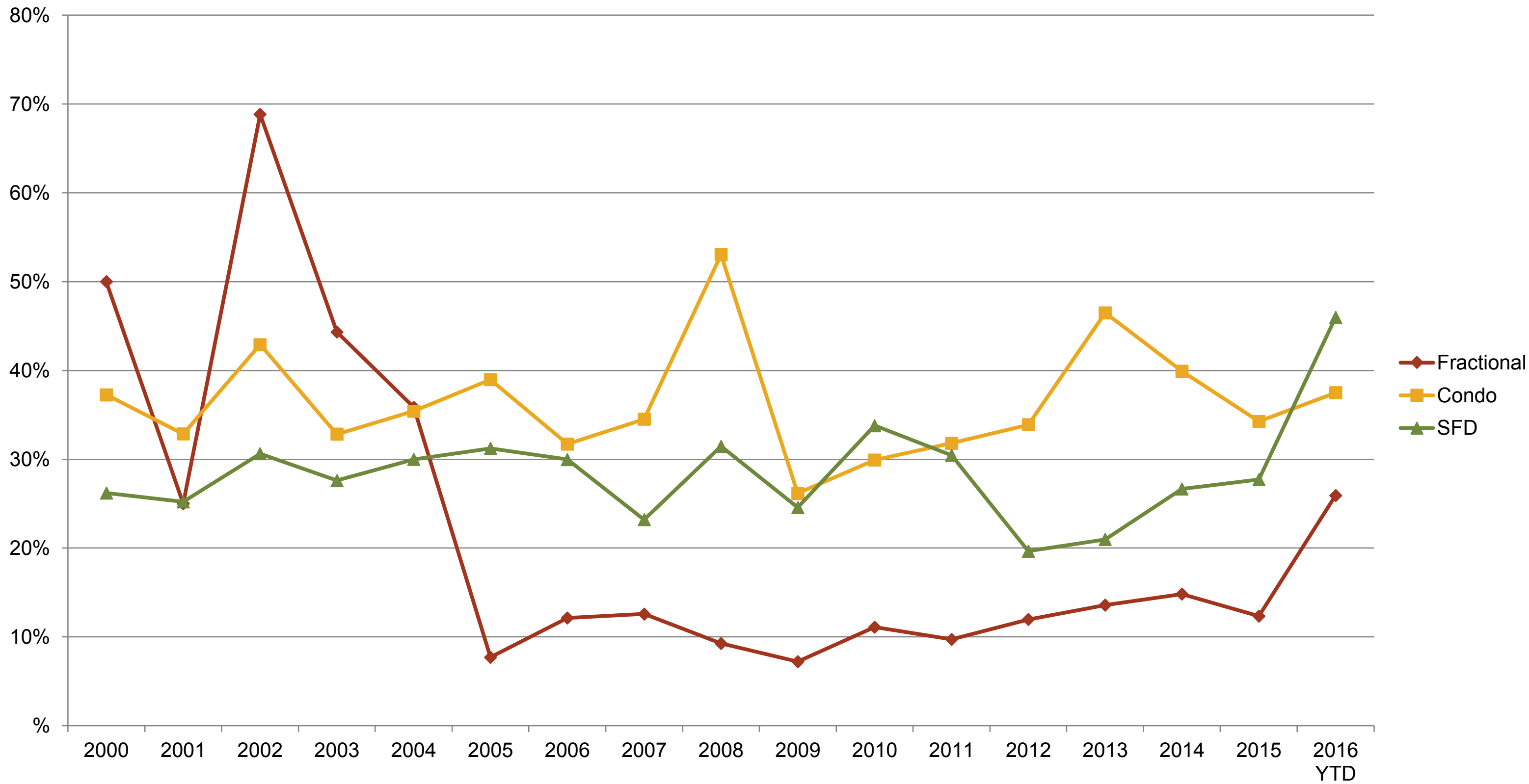
Exhibit III-6

SNOWMASS CAPTURE OF ASPEN REGION BY PRODUCT TYPE
SNOWMASS VILLAGE, COLORADO
2000-2016 YTD

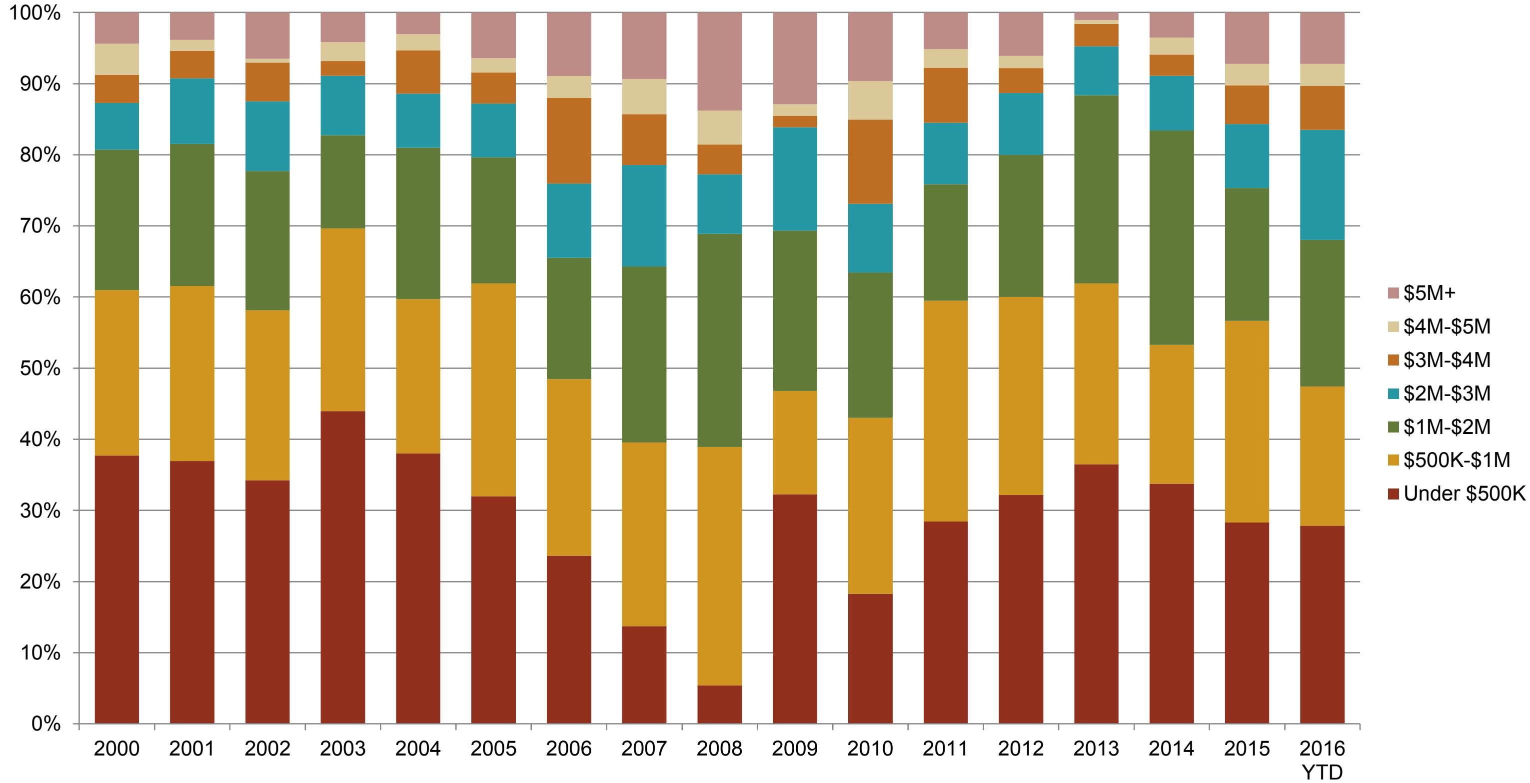


NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove outliers below $50,000 and over $20 million
SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-7

CONDO AND SFD TRANSACTIONS BY PRICE
SNOWMASS VILLAGE, COLORADO
2000-2016 YTD



NOTE: 2016 data is annualized. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo and Fractional outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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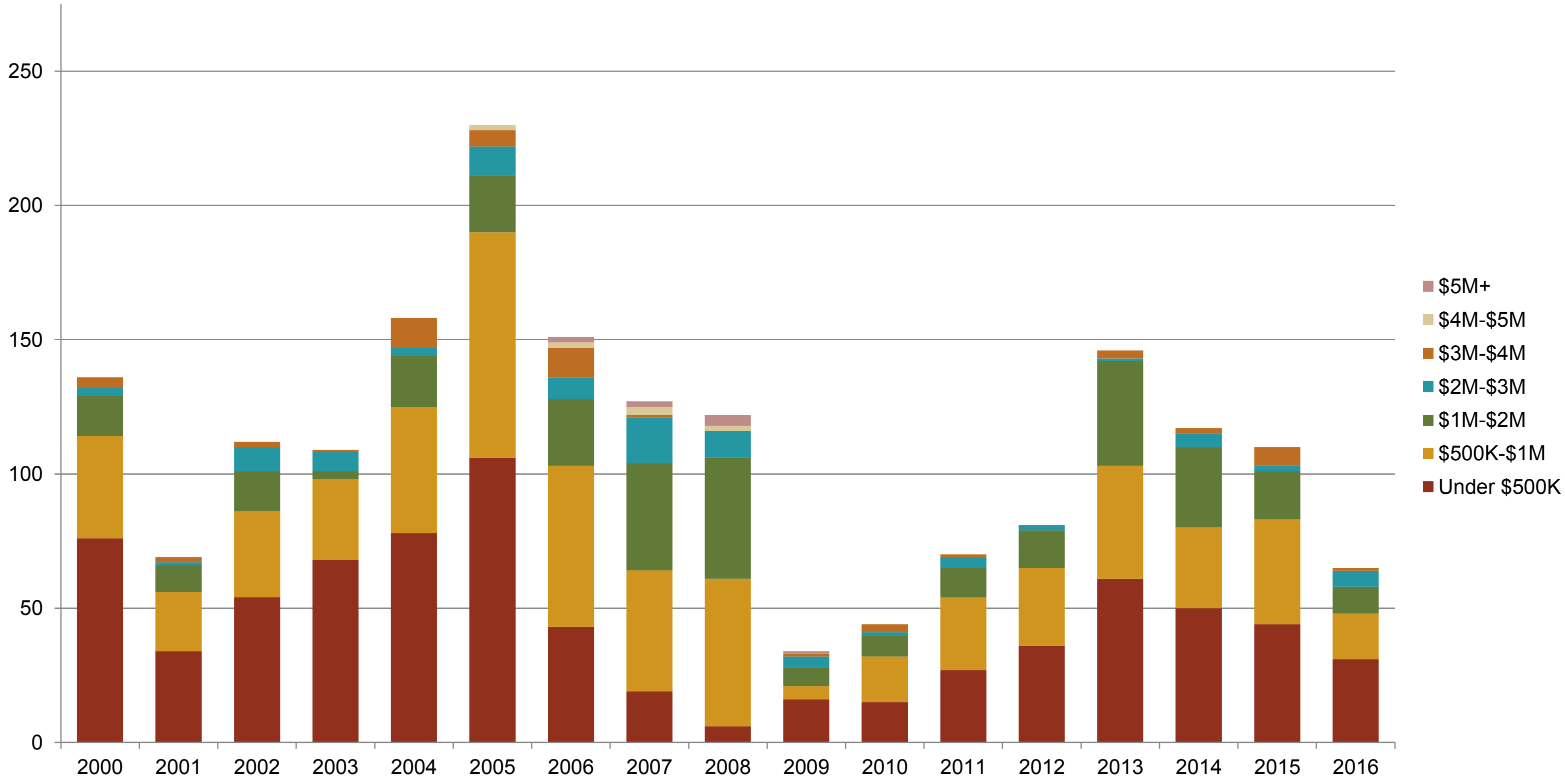
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-8

CONDO TRANSACTIONS BY PRICE
SNOWMASS VILLAGE, COLORADO
2000-2016



NOTE: 2016 data is annualized. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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Exhibit III-8
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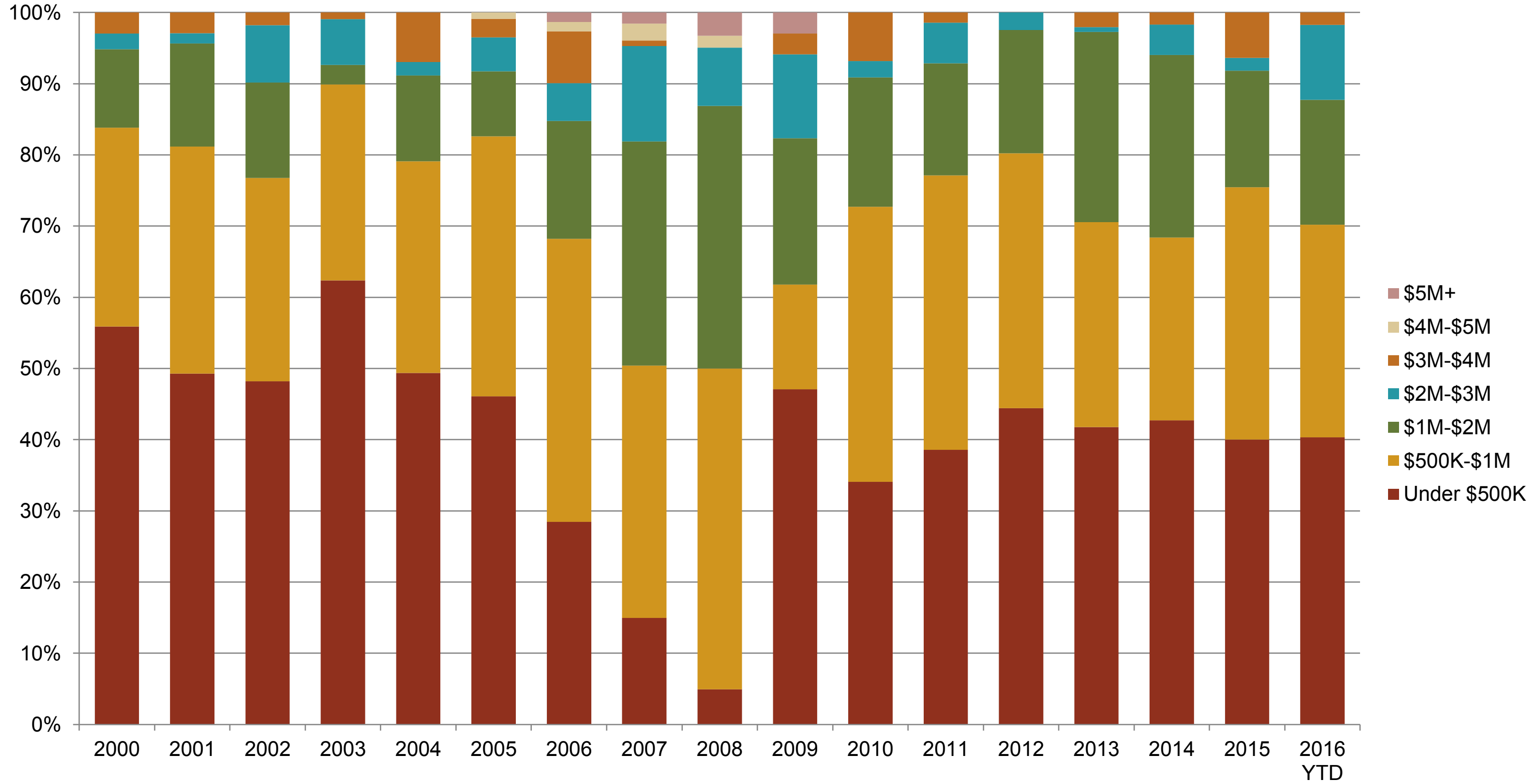
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-9

DISTRIBUTION OF CONDO TRANSACTIONS BY PRICE
SNOWMASS VILLAGE, COLORADO
2000-2016 YTD

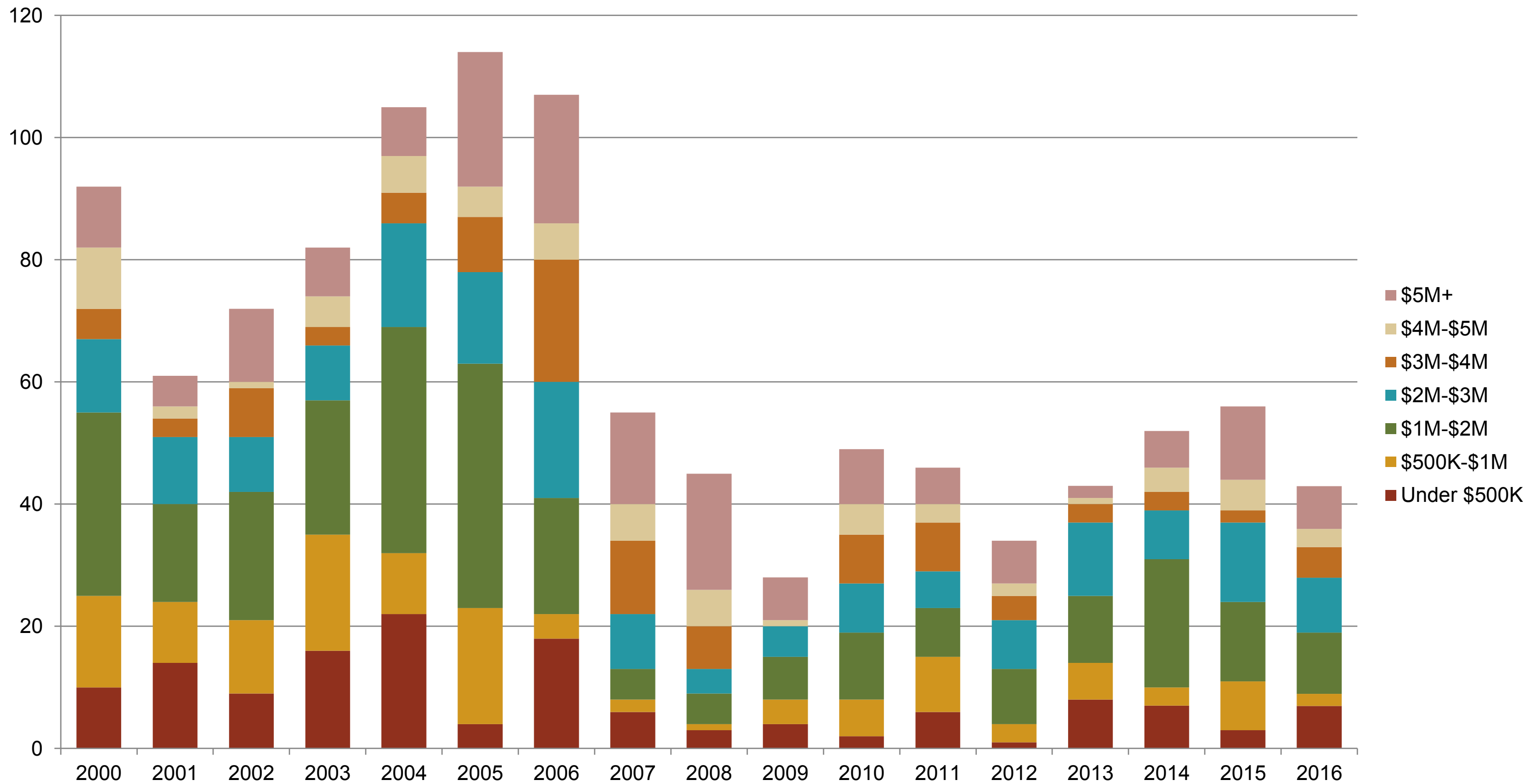


NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-10

SFD TRANSACTIONS BY PRICE
SNOWMASS VILLAGE, COLORADO
2000-2016



NOTE: 2016 data is annualized. Sales are filtered to remove outliers below $50,000 and over $20 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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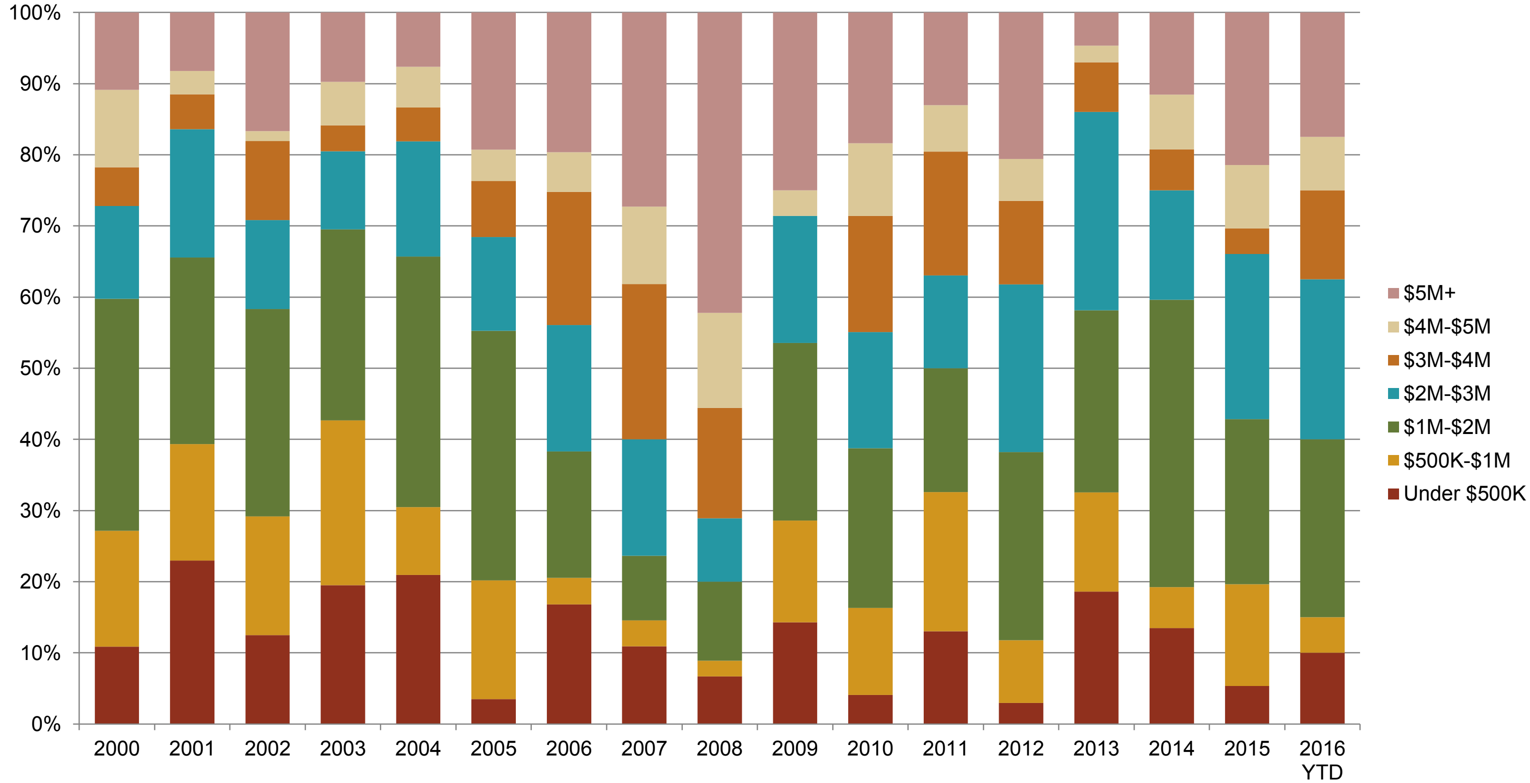
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-11

SFD TRANSACTIONS BY PRICE
SNOWMASS VILLAGE, COLORADO
2000-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove outliers below $50,000 and over $20 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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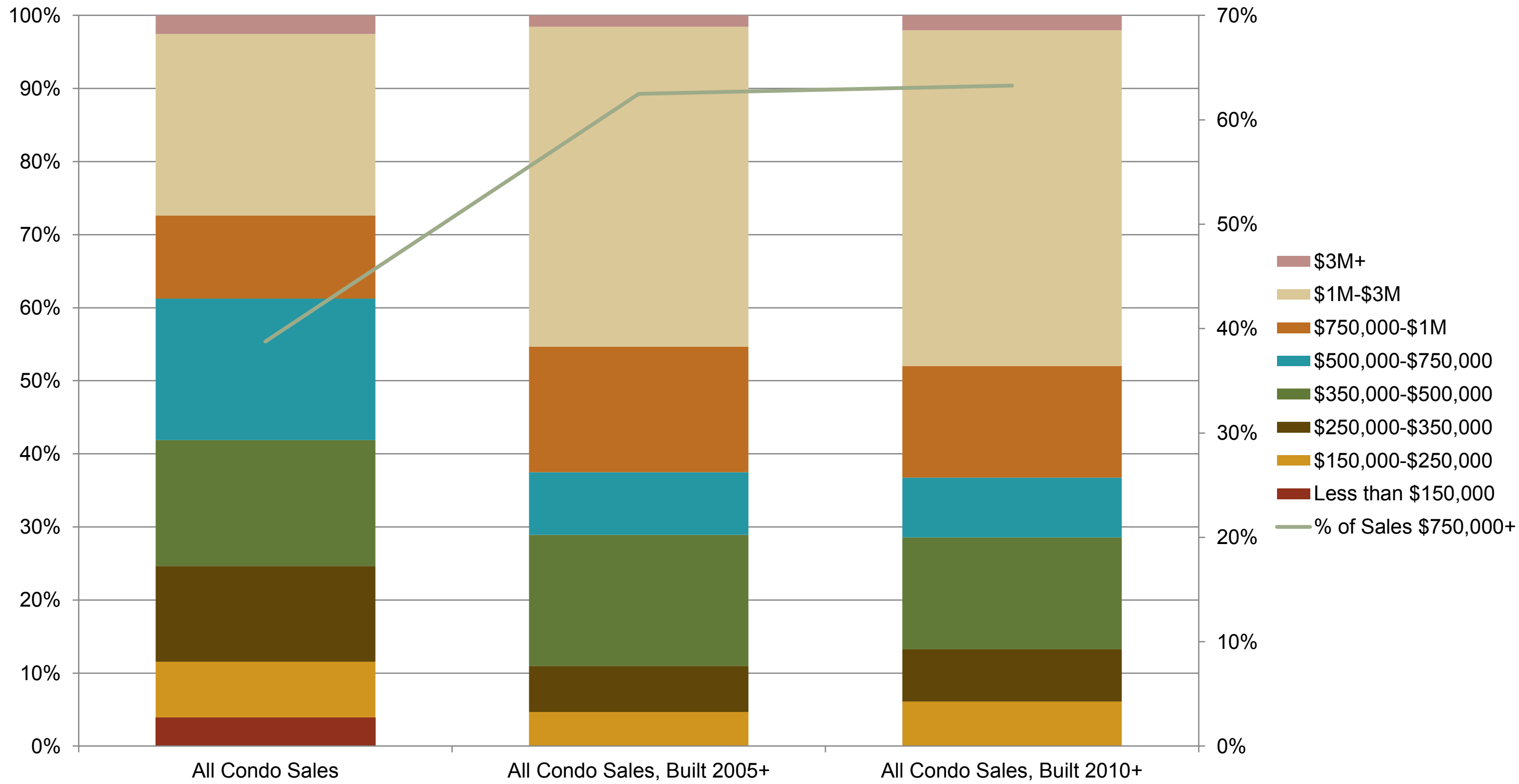
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-12

DISTRIBUTION OF CONDO SALES BY PRICE RANGE BY YEAR BUILT
SNOWMASS VILLAGE, COLORADO
2012-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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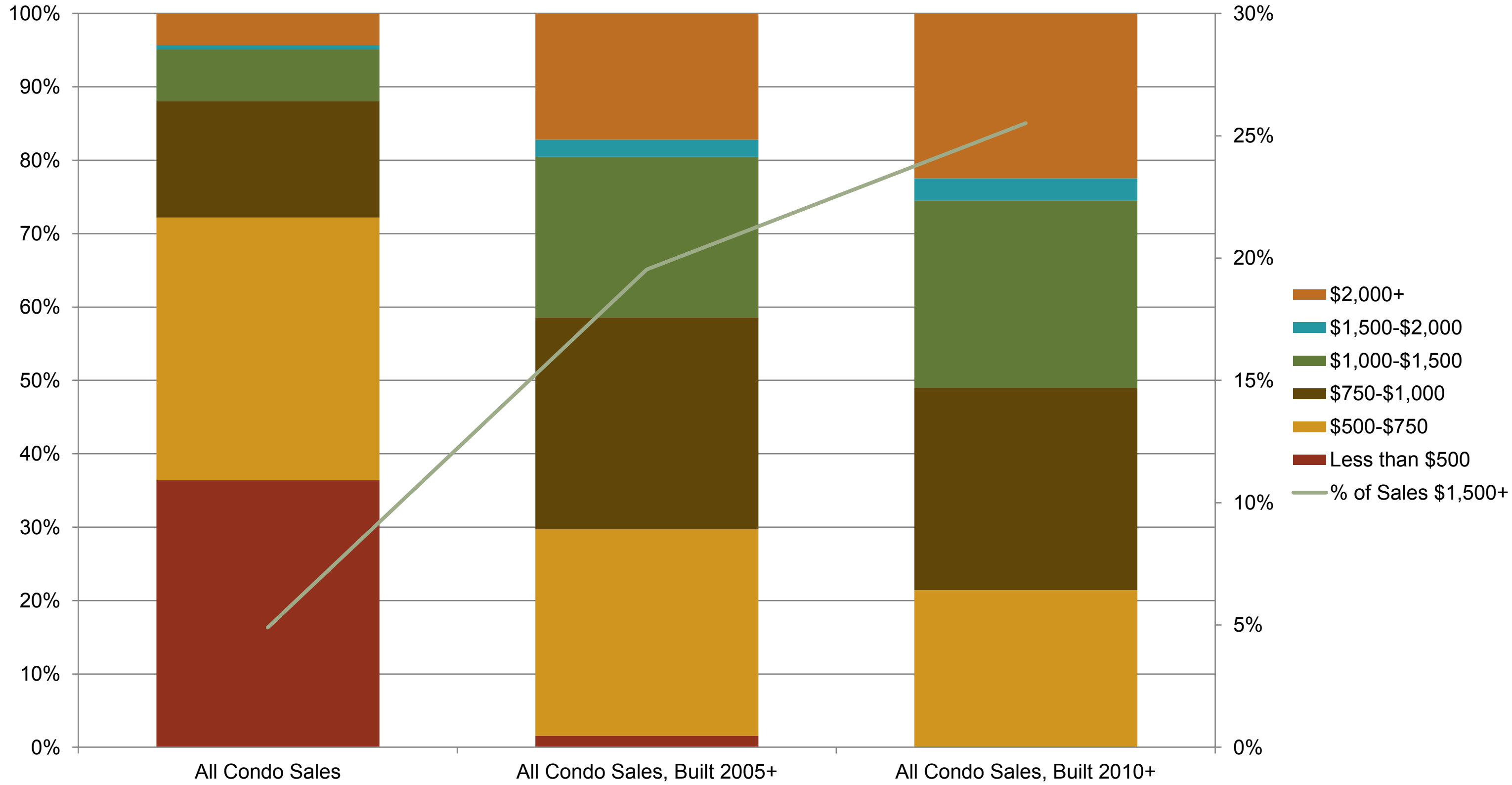
Exhibit III-13

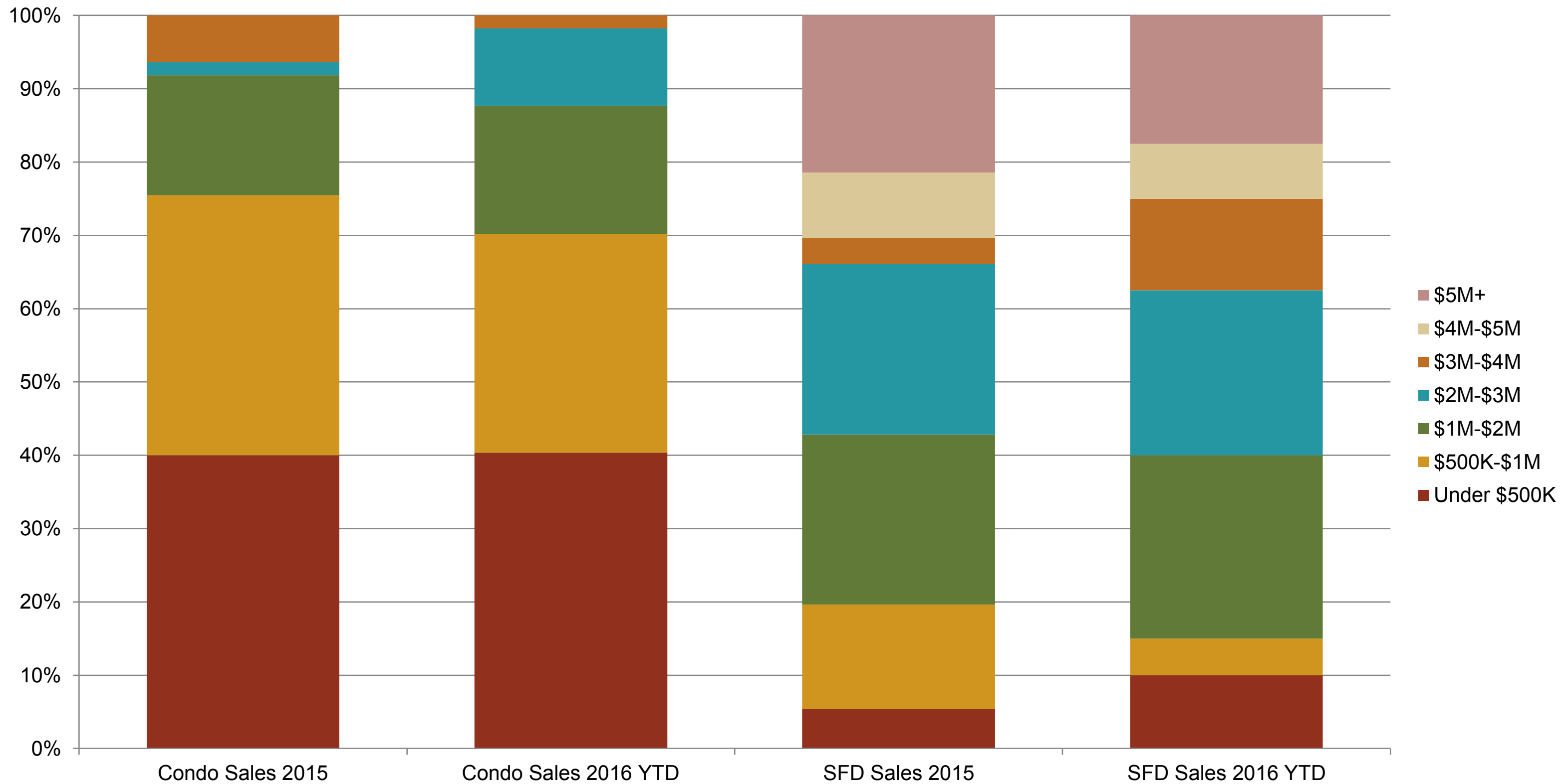
DISTRIBUTION OF CONDO SALES BY PRICE PER SQUARE FOOT BY YEAR BUILT
SNOWMASS VILLAGE, COLORADO
2012-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

Exhibit III-14

DISTRIBUTION OF CONDO AND SFD SALES BY PRICE
SNOWMASS VILLAGE, COLORADO
2015-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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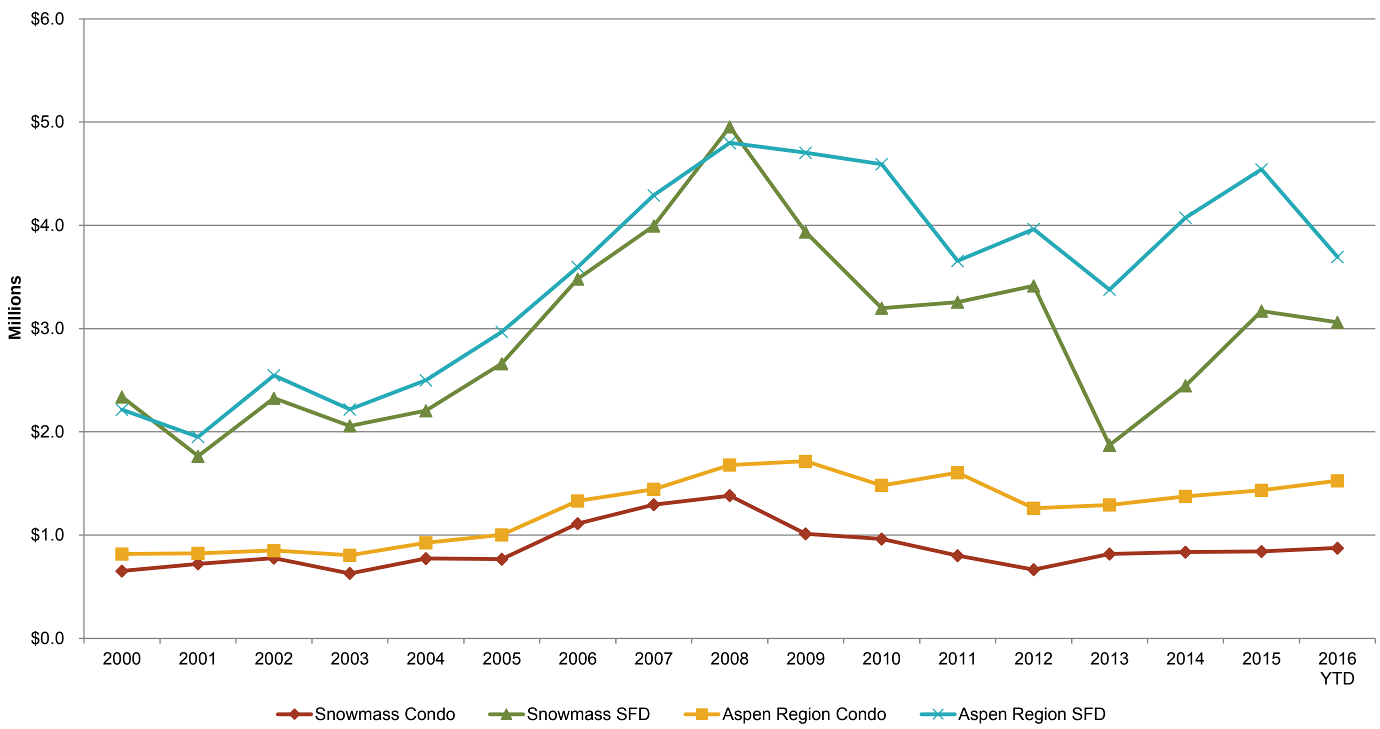
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-15A

AVERAGE SALES PRICE
SNOWMASS VILLAGE AND GREATER ASPEN REGION
2000-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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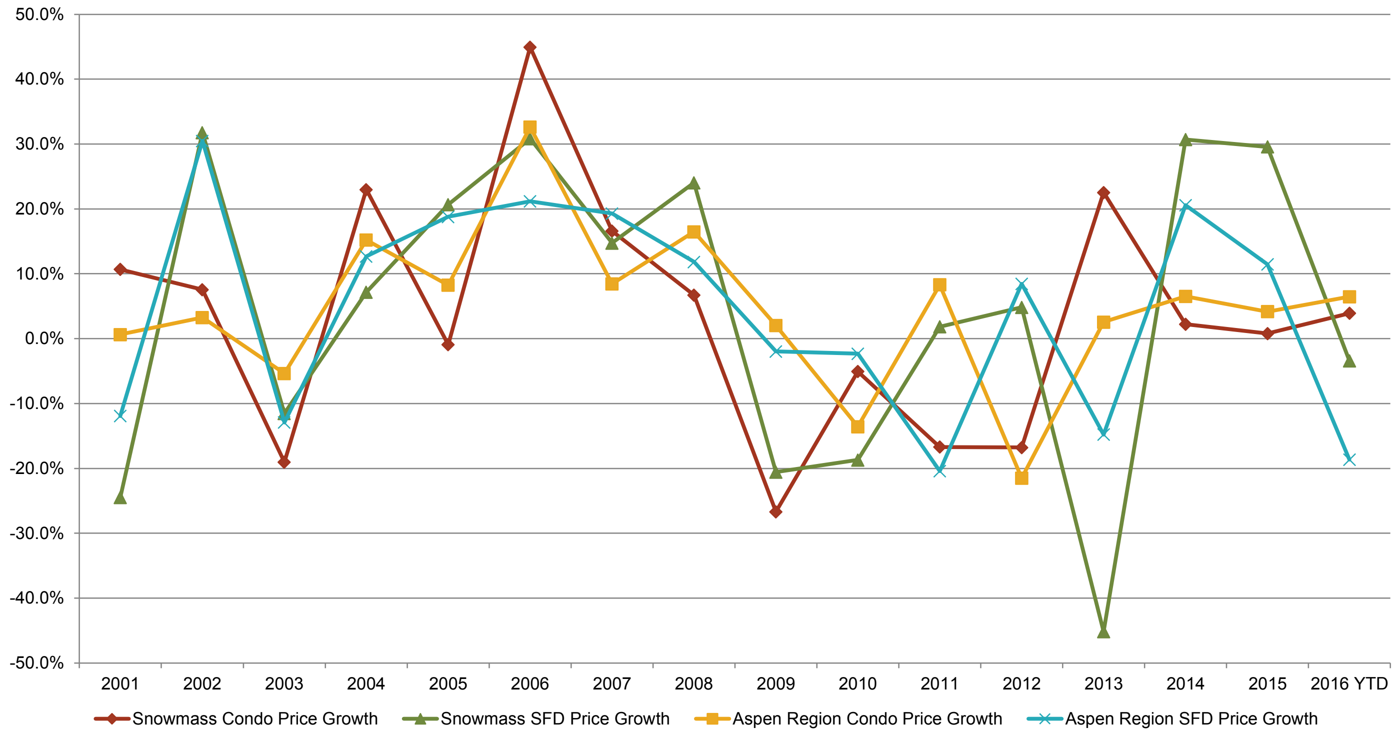
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-15B

AVERAGE SALES PRICE GROWTH
SNOWMASS VILLAGE AND GREATER ASPEN REGION
2001-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-16A

AVERAGE SALES PRICE PER SQUARE FOOT
SNOWMASS VILLAGE AND GREATER ASPEN REGION
2000-2016 YTD

NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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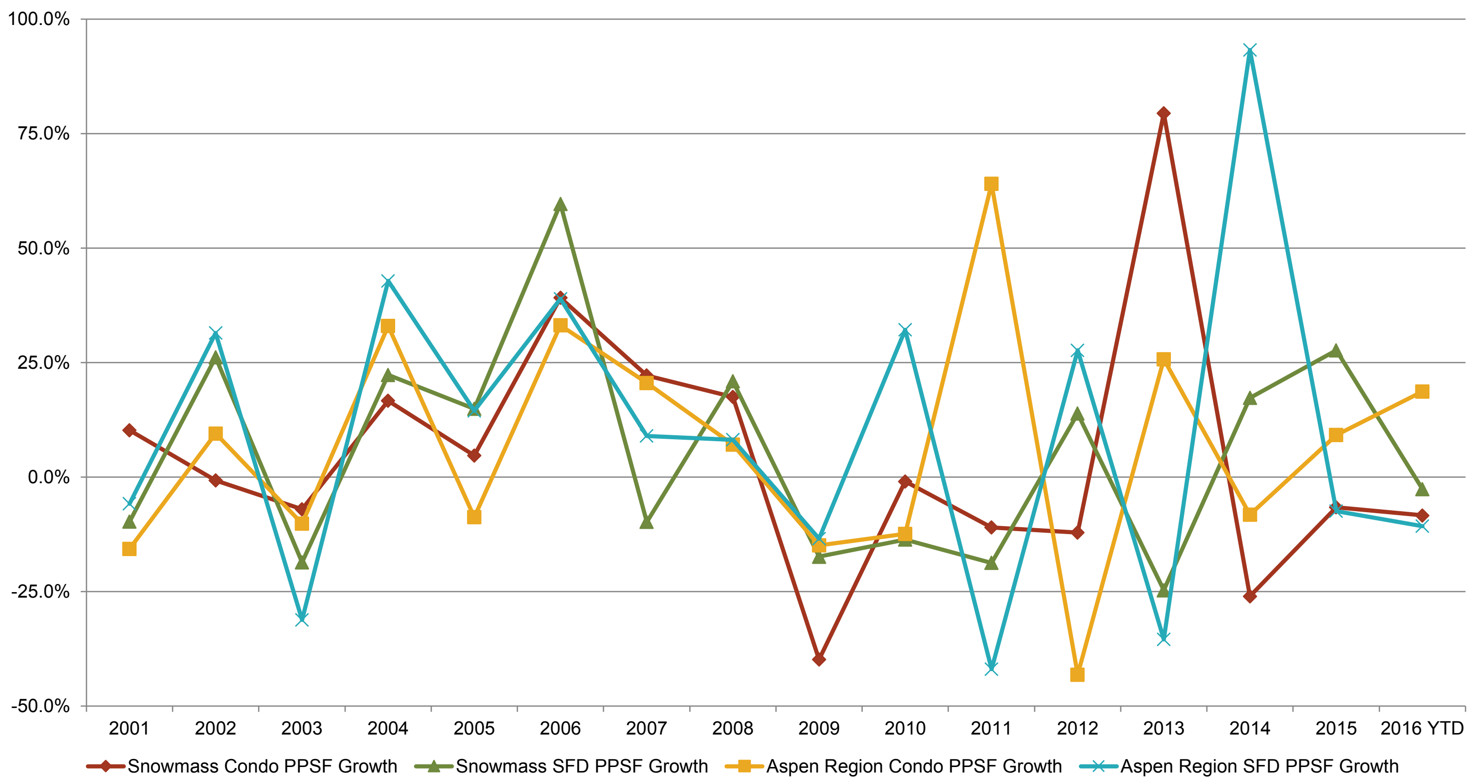
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-16B

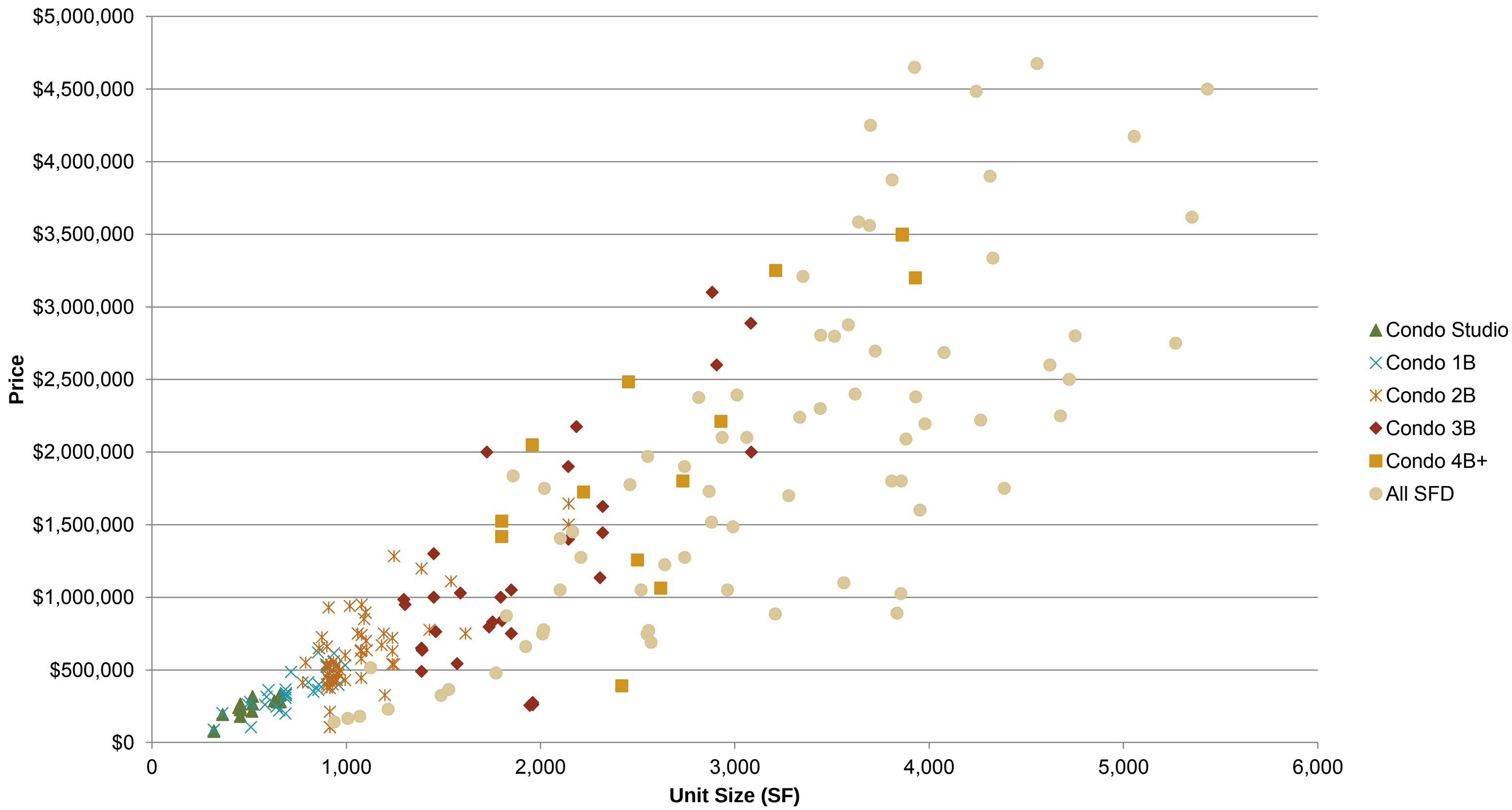
AVERAGE SALES PRICE PER SQUARE FOOT GROWTH
SNOWMASS VILLAGE AND GREATER ASPEN REGION
2001-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

Exhibit III-17

PRICE TO SIZE RELATIONSHIP OF CONDO AND SFD TRANSACTIONS BY PRICE
SNOWMASS VILLAGE, COLORADO
2015-2016 YTD

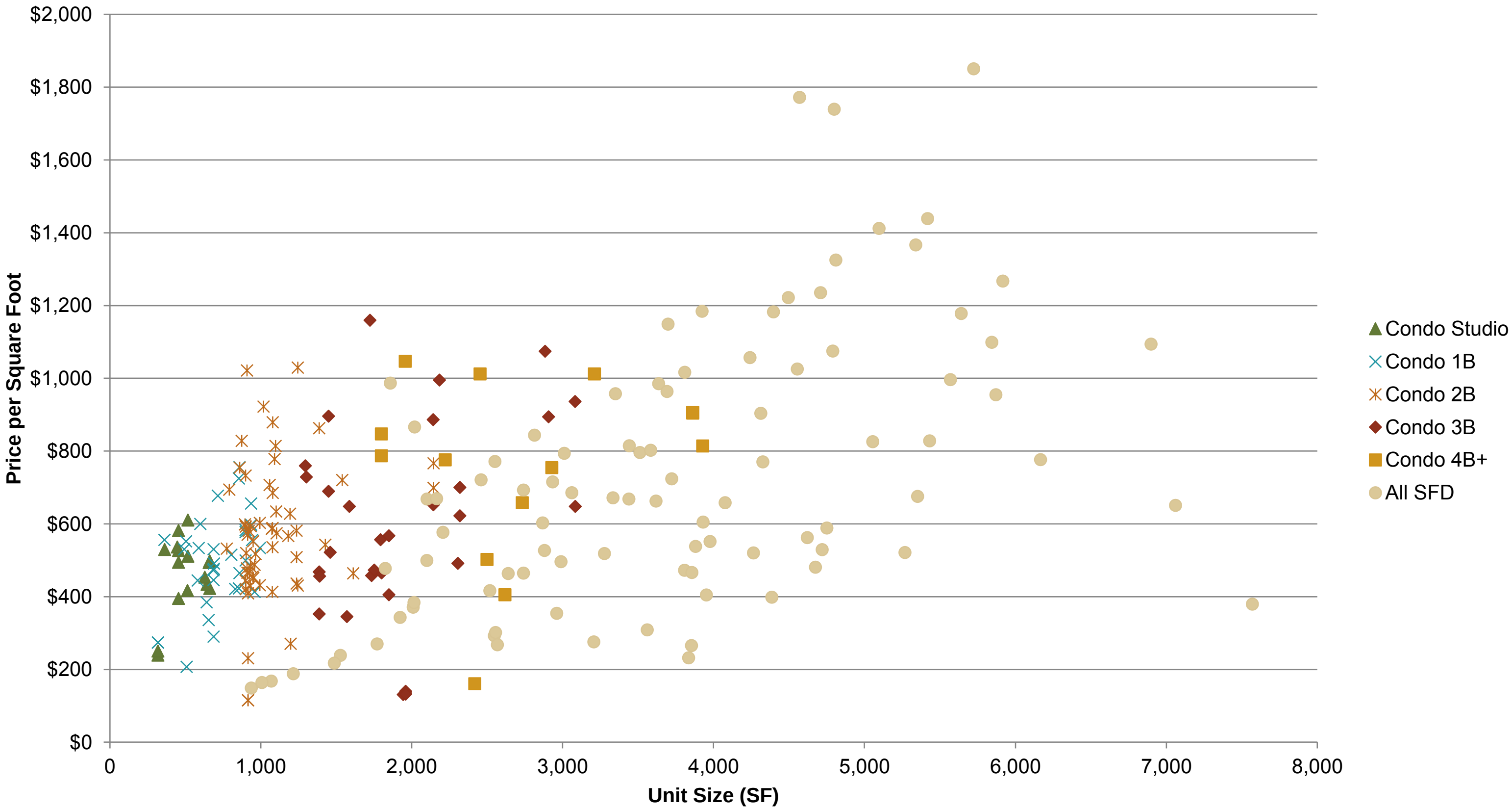


NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-18

PRICE PER SQUARE FOOT TO SIZE RELATIONSHIP OF CONDO AND SFD TRANSACTIONS
SNOWMASS VILLAGE, COLORADO
2015-2016 YTD

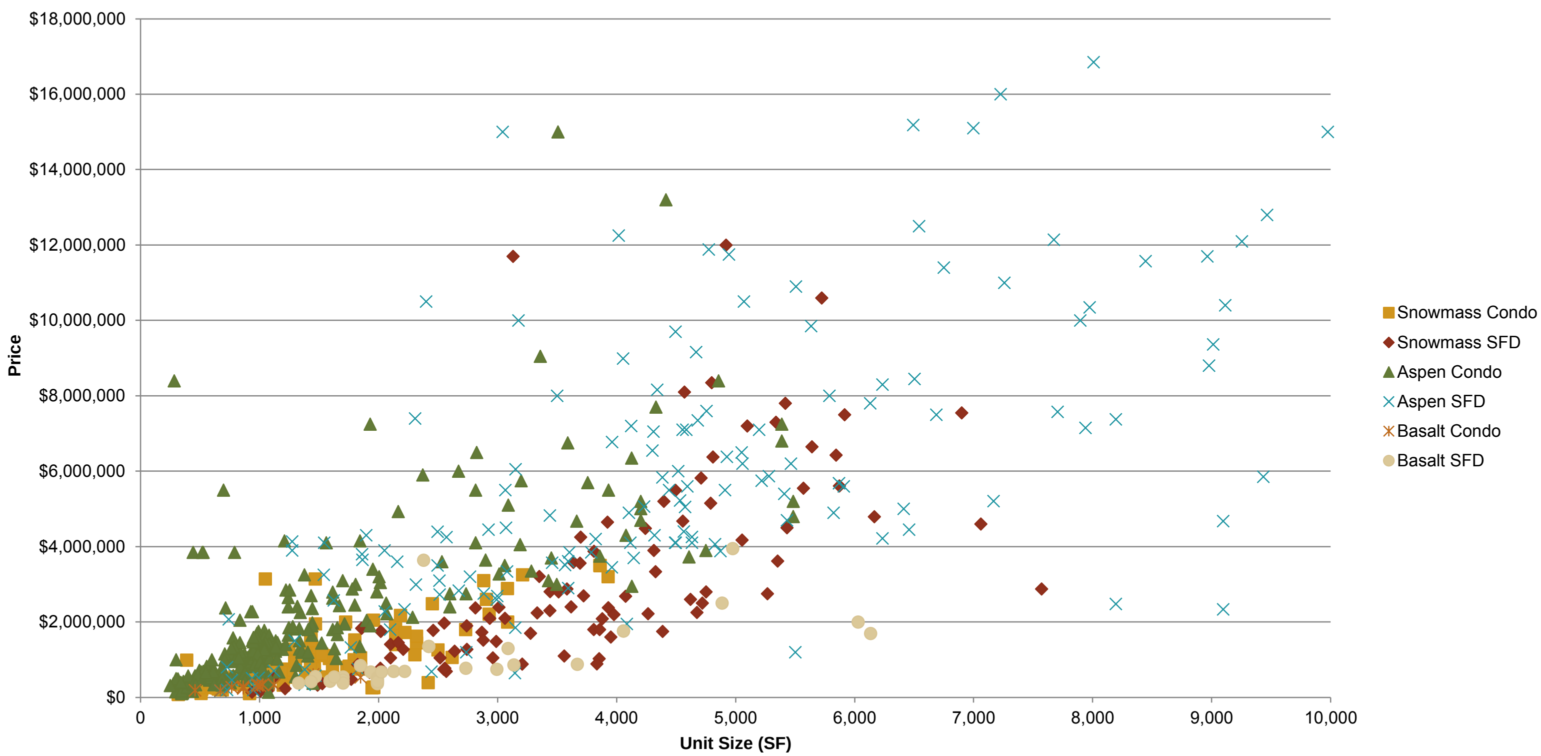


NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-19

PRICE TO SIZE RELATIONSHIP OF CONDO AND SFD TRANSACTIONS BY PRICE
GREATER ASPEN REGION
2015-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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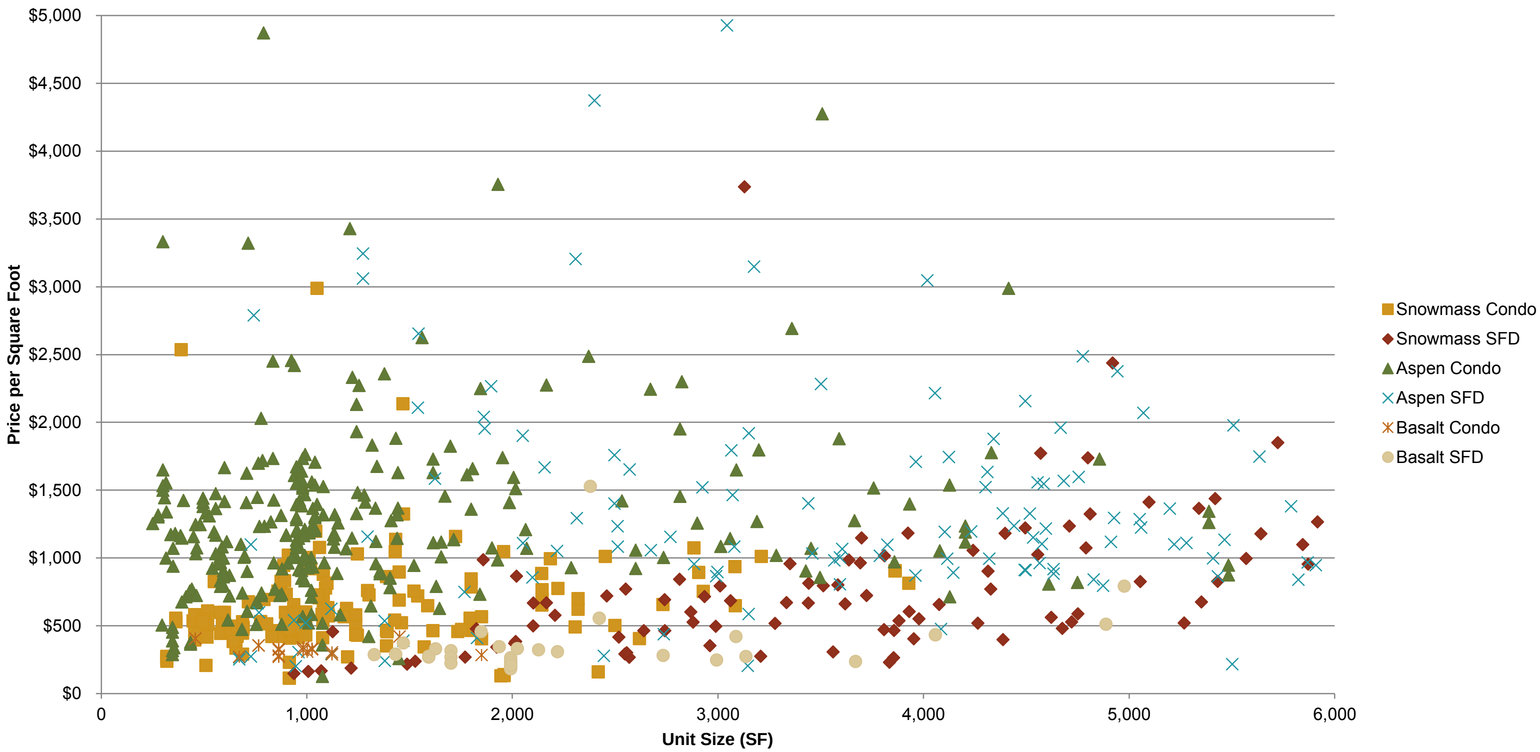
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-20

PRICE PER SQUARE FOOT TO SIZE RELATIONSHIP OF CONDO AND SFD TRANSACTIONS
GREATER ASPEN REGION
2015-2016 YTD



NOTE: 2016 YTD as of September 1, 2016. Sales are filtered to remove SFD outliers below $50,000 and over $20 million, and Condo outliers below $50,000 and over $12 million.
SOURCE: Pitkin County Property Appraiser; RCLCO

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Exhibit III-21A

SUMMARY OF ACTIVE LISTINGS AT SELECTED ANALOGOUS LUXURY MOUNTAIN CONDOMINIUM COMMUNITIES
WESTERN UNITED STATES
SEPTEMBER 2016

	PROPERTY	YEAR BUILT	# OF ACTIVE LISTINGS	AVG. SIZE	AVG. PRICE	AVG. $/SF
1	**Viceroy (Snowmass)**	**2010**	65	717	$729,969	$1,018
2	**The Arrabelle (Vail)**	**2008**	3	2,543	$5,396,667	$2,122
3	**The Four Seasons (Vail)**	**2010**	10	3,378	$6,807,500	$2,015
4	**The Ritz-Carlton (Vail)**	**2010**	8	2,187	$3,496,250	$1,599
5	**Solaris (Vail)**	**2010**	24	3,035	$7,892,083	$2,600
6	**The St. Regis (Deer Valley)**	**2008**	21	1,801	$2,535,429	$1,408
7	**The Montage (Deer Valley)**	**2010**	14	3,001	$4,408,929	$1,469

SOURCE: East West Partners; Berkshire Hathway HomeServices; Individual property websites; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-21B

ACTIVE LISTINGS AT SELECTED ANALOGOUS LUXURY MOUNTAIN CONDOMINIUM COMMUNITIES
WESTERN UNITED STATES
SEPTEMBER 2016

			# OF ACTIVE	UNIT SIZE			UNIT PRICE			$/SF		
	NAME	UNIT	LISTINGS	MIN	MAX	AVG.	MIN	MAX	AVG.	MIN	MAX	AVG.
1	**Viceroy (Snowmass)**	Studio	26	375 -	593	401	$272,000 -	$417,000	$325,462	$703 -	$952	$811
	130 Wood Rd	1 Bedroom	26	547 -	1,017	695	$425,000 -	$1,019,000	$648,154	$682 -	$1,095	$933
	Snowmass Village, CO 81615	2 Bedroom	9	890 -	1,123	1,014	$885,000 -	$1,245,000	$1,054,000	$892 -	$1,148	$1,040
		3 Bedroom	3	1,643 -	2,185	1,824	$1,999,000 -	$3,400,000	$2,549,333	$1,216 -	$1,556	$1,398
	2010	4 Bedroom	1	3,514 -	3,514	3,514	$5,000,000 -	$5,000,000	$5,000,000	$1,423 -	$1,423	$1,423
	6 Floors	**TOTAL/WTD. AVG.**	**65**	**375 -**	**3,514**	**717**	**$272,000 -**	**$5,000,000**	**$729,969**	**$682 -**	**$1,556**	**$1,018**
	122 Residences											
2	**The Arrabelle (Vail)**	2 Bedroom	1	2,035 -	2,035	2,035	$2,945,000 -	$2,945,000	$2,945,000	$1,447 -	$1,447	$1,447
	675 Lionshead Place	3 Bedroom	1	2,241 -	2,241	2,241	$4,995,000 -	$4,995,000	$4,995,000	$2,229 -	$2,229	$2,229
	Vail, CO 81657	4 Bedroom	1	3,353 -	3,353	3,353	$8,250,000 -	$8,250,000	$8,250,000	$2,460 -	$2,460	$2,460
		TOTAL/WTD. AVG.	**3**	**2,035 -**	**3,353**	**2,543**	**$2,945,000 -**	**$8,250,000**	**$5,396,667**	**$1,447 -**	**$2,460**	**$2,122**
	2008											
	7 Floors											
	26 Residences											
3	**The Four Seasons (Vail)**	1 Bedroom	3	1,573 -	1,906	1,715	$2,100,000	$2,500,000	$2,266,667	$1,261	$1,399	$1,322
	One Vail Road	2 Bedroom	1	2,506 -	2,506	2,506	$4,000,000	$4,000,000	$4,000,000	$1,596	$1,596	$1,596
	Vail, CO 81657	3 Bedroom	2	2,927 -	3,775	3,351	$4,850,000	$8,750,000	$6,800,000	$1,657	$2,318	$2,029
		4 Bedroom	3	4,362 -	4,727	4,563	$8,975,000	$10,700,000	$9,725,000	$1,899	$2,453	$2,131
	2010	5 Bedroom	1	5,743 -	5,743	5,743	$14,500,000	$14,500,000	$14,500,000	$2,525	$2,525	$2,525
	7 Floors	**TOTAL/WTD. AVG.**	**10**	**1,573 -**	**5,743**	**3,378**	**$2,100,000 -**	**$14,500,000**	**$6,807,500**	**$1,261 -**	**$2,525**	**$2,015**
	16 Residences											
4	**The Ritz-Carlton (Vail)**	2 Bedroom	7	1,524 -	2,129	1,841	$1,895,000 -	$3,390,000	$2,853,571	$1,243 -	$1,734	$1,550
	728 W Lionshead Circle	4 Bedroom	1	4,611 -	4,611	4,611	$7,995,000 -	$7,995,000	$7,995,000	$1,734 -	$1,734	$1,734
	Vail, CO 81657	**TOTAL/WTD. AVG.**	**8**	**1,524 -**	**4,611**	**2,187**	**$1,895,000 -**	**$7,995,000**	**$3,496,250**	**$1,243 -**	**$1,734**	**$1,599**
	2010											
	6 Floors											
	71 Residences											

Exhibit III-21B

ACTIVE LISTINGS AT SELECTED ANALOGOUS LUXURY MOUNTAIN CONDOMINIUM COMMUNITIES
WESTERN UNITED STATES
SEPTEMBER 2016

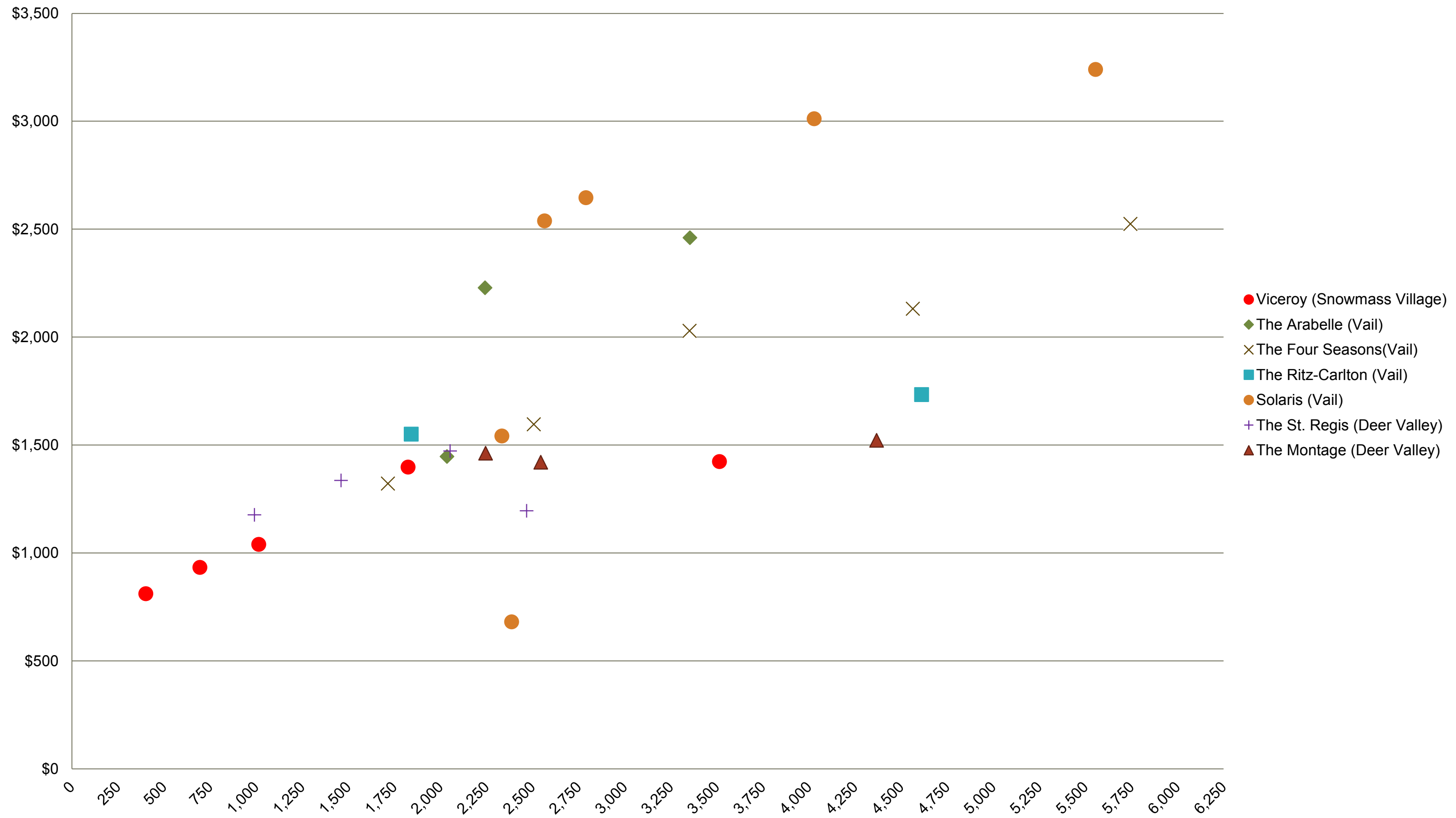
	NAME	UNIT	# OF ACTIVE LISTINGS	UNIT SIZE MIN	UNIT SIZE MAX	UNIT SIZE AVG.	UNIT PRICE MIN	UNIT PRICE MAX	UNIT PRICE AVG.	$/SF MIN	$/SF MAX	$/SF AVG.
5	**Solaris (Vail)**	Studio	1	2,386	2,386	2,386	$1,625,000 -	$1,625,000	$1,625,000	$681 -	$681	$681
	141 E Meadow Drive	2 Bedroom	3	2,259 -	2,385	2,334	$3,395,000 -	$3,750,000	$3,598,333	$1,423 -	$1,616	$1,542
	Vail, CO 81657	3 Bedroom	7	2,283 -	2,881	2,565	$5,150,000 -	$7,950,000	$6,511,429	$2,256 -	$2,921	$2,538
		4 Bedroom	8	2,405 -	2,926	2,789	$6,795,000 -	$8,495,000	$7,378,750	$2,358 -	$3,015	$2,645
	2010	5 Bedroom	3	2,923 -	4,985	4,028	$6,895,000 -	$15,695,000	$12,130,000	$2,359 -	$3,305	$3,012
	8 Floors	6 Bedroom	2	4,526 -	6,584	5,555	$15,995,000 -	$19,995,000	$17,995,000	$3,037 -	$3,534	$3,239
	79 Residences	**TOTAL/WTD. AVG.**	**24**	**2,259 -**	**6,584**	**3,035**	**$1,625,000 -**	**$19,995,000**	**$7,892,083**	**$681 -**	**$3,534**	**$2,600**
6	**The St. Regis (Deer Valley)**	1 Bedroom	2	984 -	996	990	$1,080,000 -	$1,250,000	$1,165,000	$1,098 -	$1,255	$1,177
	2300 Deer Valley Drive East	2 Bedroom	6	1,335 -	1,562	1,460	$1,650,000 -	$2,495,000	$1,950,667	$1,081 -	$1,869	$1,336
	Park City, UT 84060	3 Bedroom	12	1,919 -	2,465	2,052	$2,350,000 -	$3,700,000	$3,021,667	$1,175 -	$1,884	$1,473
		4 Bedroom	1	2,467 -	2,467	2,467	$2,950,000 -	$2,950,000	$2,950,000	$1,196 -	$1,196	$1,196
	2008	**TOTAL/WTD. AVG.**	**21**	**984 -**	**2,467**	**1,801**	**$1,080,000 -**	**$3,700,000**	**$2,535,429**	**$1,081 -**	**$1,884**	**$1,408**
	11 Floors											
	26 Residences											
7	**The Montage (Deer Valley)**	2 Bedroom	3	1,999 -	2,605	2,245	$2,800,000 -	$4,100,000	$3,283,333	$1,401 -	$1,597	$1,463
	9100 Marsac Ave	3 Bedroom	7	2,247 -	2,853	2,544	$3,200,000 -	$3,950,000	$3,614,286	$1,336 -	$1,504	$1,421
	Park City, UT 84060	4 Bedroom	4	3,533 -	5,438	4,366	$4,950,000 -	$9,250,000	$6,643,750	$1,401 -	$1,459	$1,522
		TOTAL/WTD. AVG.	**14**	**1,999 -**	**5,438**	**3,001**	**$2,800,000 -**	**$9,250,000**	**$4,408,929**	**$1,336 -**	**$1,597**	**$1,469**
	2010											
	7 Floors											
	81 Residences											

SOURCE: East West Partners; Berkshire Hathway HomeServices; Individual property websites; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit III-21C

PRICE PER SQUARE FOOT TO SIZE RELATIONSHIP OF ACTIVE LISTINGS AT SELECTED ANALOGOUS MOUNTAIN CONDOMINIUM COMMUNITIES
WESTERN UNITED STATES
SEPTEMBER 2016



NOTE: Each dot represents the average size and price per square foot for a particular type of unit (1B, 2B, etc.).
SOURCE: East West Partners; Berkshire Hathway HomeServices; Individual property websites; RCLCO

Exhibit III-22

SUMMARY OF SALES AND LISTINGS AT VICEROY SNOWMASS
SNOWMASS VILLAGE, CO
SALES AND LISTINGS AS OF SEPTEMBER 2016

	SALES				LISTINGS				RCLCO PRICING			
	UNITS	SIZE	PRICE	$/SF	UNITS	SIZE	PRICE	$/SF	UNITS	SIZE	PRICE	$/SF
Studio	22	386	$254,028	$657	26	401	$325,462	$811	26	401	$240,800	$600
1B	35	639	$498,719	$781	26	695	$648,154	$933	26	695	$521,100	$750
2B	25	1,090	$1,069,147	$981	9	1,014	$1,054,000	$1,040	9	1,014	$1,013,900	$1,000
3B	5	1,454	$1,709,125	$1,176	3	1,824	$2,549,333	$1,398	3	1,824	$2,188,800	$1,200
4B	2	2,242	$2,290,775	$1,022	1	3,514	$5,000,000	$1,423	1	3,514	$4,568,200	$1,300
TOT/AVG.	**89**	**785**	**$706,737**	**$901**	**65**	**717**	**$729,969**	**$1,018**	**65**	**717**	**$620,000**	**$865**

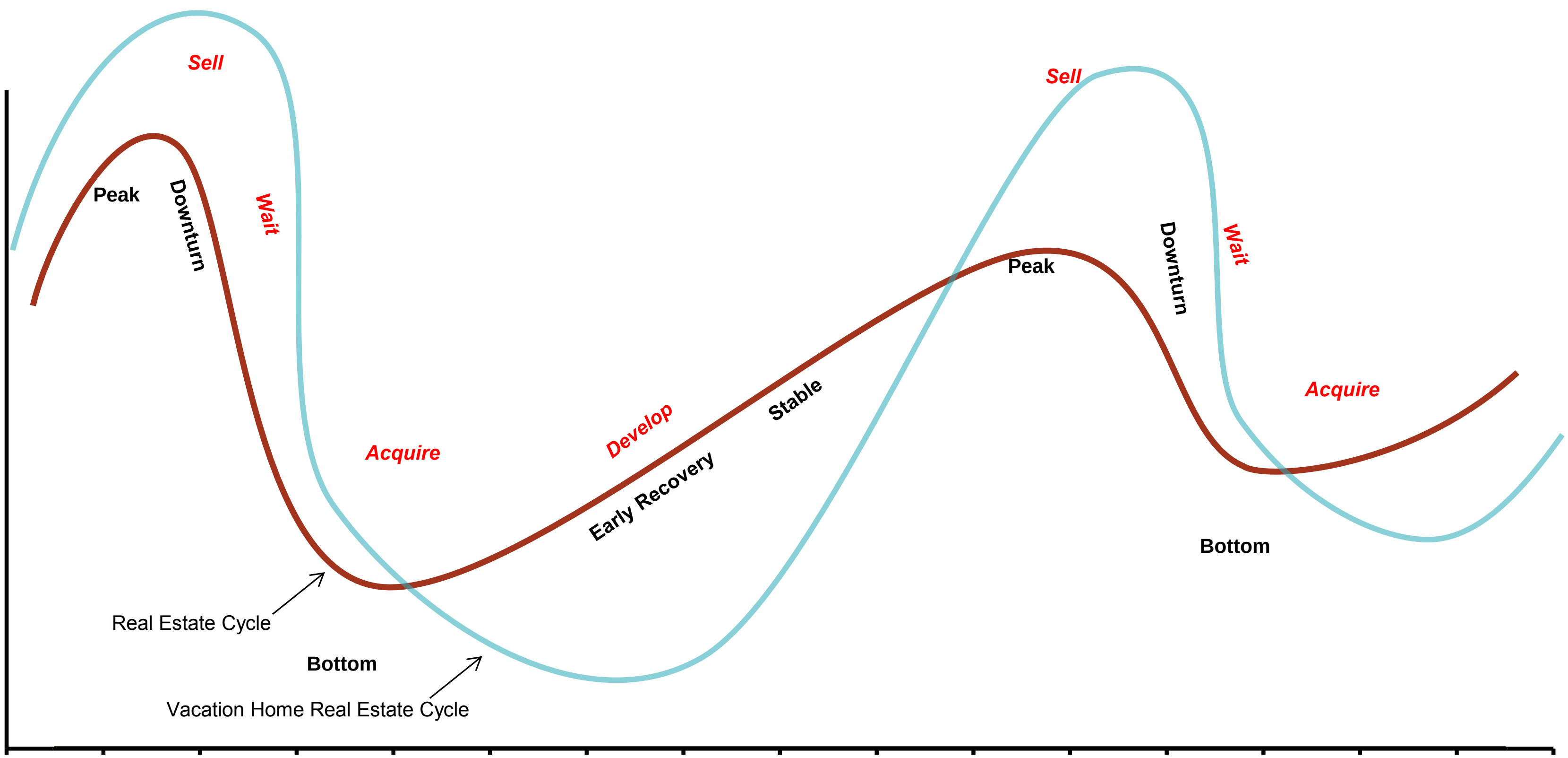
SOURCE: East West Partners; RCLCO

IV. VACATION AND FRACTIONAL TRENDS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-1A

VACATION HOME REAL ESTATE CYCLE
UNITED STATES



SOURCE: RCLCO

RCLCO
REAL ESTATE ADVISORS

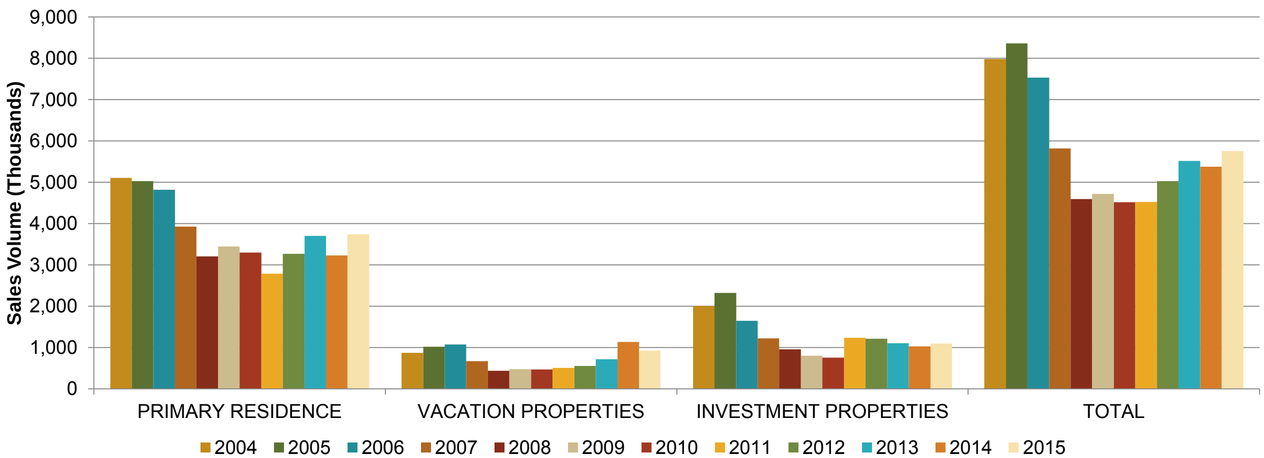
Exhibit IV-1A
U4-13830.00
Printed: 11/28/2016

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-1B

TOTAL HOME SALES VOLUME BY INTENDED USE
UNITED STATES
2016

NEW AND EXISTING HOME SALES (THOUSANDS)				
YEAR	PRIMARY RESIDENCE	VACATION PROPERTIES	INVESTMENT PROPERTIES	TOTAL
2003	4,844	850	1,572	7,266
2004	5,106	872	2,003	7,981
2005	5,023	1,019	2,317	8,359
2006	4,817	1,067	1,646	7,530
2007	3,925	670	1,221	5,816
2008	3,207	436	951	4,594
2009	3,441	471	801	4,713
2010	3,294	469	749	4,512
2011	2,785	502	1,233	4,520
2012	3,268	553	1,207	5,028
2013	3,697	717	1,104	5,518
2014	3,226	1,129	1,022	5,377
2015	3,738	920	1,093	5,751
2005-2008	*-36%*	*-57%*	*-59%*	*-45%*
2008-2015	*17%*	*111%*	*15%*	*25%*

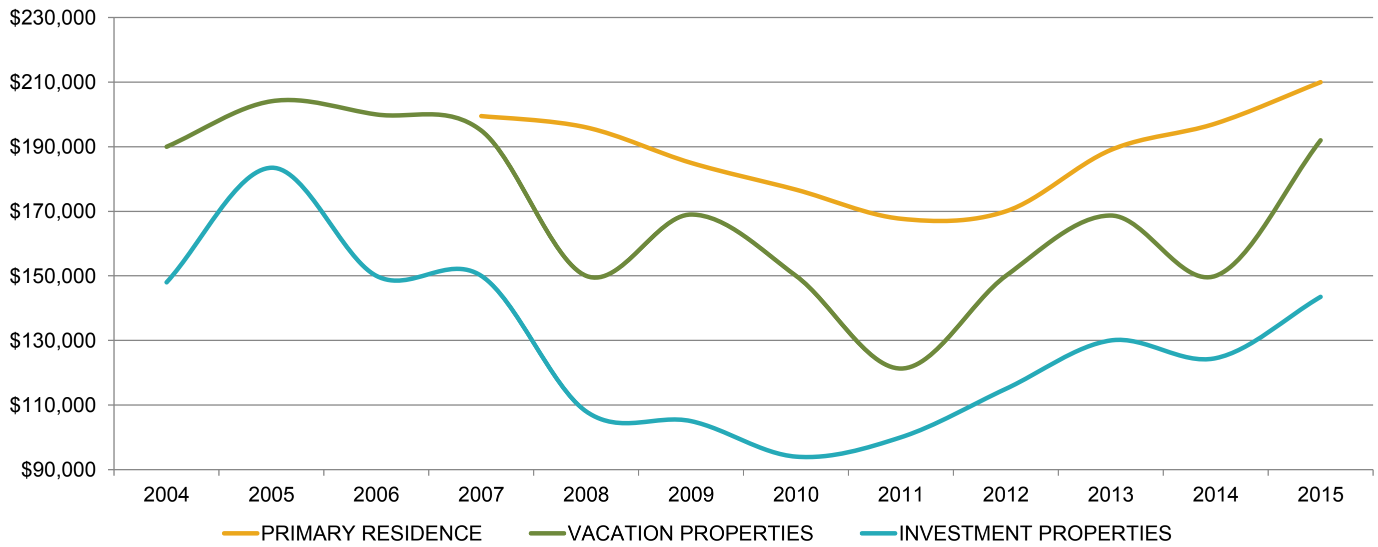


NOTE: Home sales volume include whole ownership product only.
SOURCE: 2016 NAR Vacation and Investment Home Buyers Survey; RCLCO

Exhibit IV-1C

MEDIAN SALES PRICE
UNITED STATES
2016

MEDIAN SALES PRICE			
YEAR	PRIMARY RESIDENCE	VACATION PROPERTIES	INVESTMENT PROPERTIES
2004		$190,000	$148,000
2005		$204,100	$183,500
2006		$200,000	$150,000
2007	$199,500	$195,000	$150,000
2008	$196,000	$150,000	$108,000
2009	$185,000	$169,000	$105,000
2010	$176,700	$150,000	$94,000
2011	$167,700	$121,300	$100,000
2012	$170,000	$150,000	$115,000
2013	$189,000	$168,700	$130,000
2014	$197,200	$150,000	$124,500
2015	$210,000	$192,000	$143,500



NOTE: Median home prices include whole ownership product only.
SOURCE: 2016 NAR Vacation and Investment Home Buyers Survey; RCLCO

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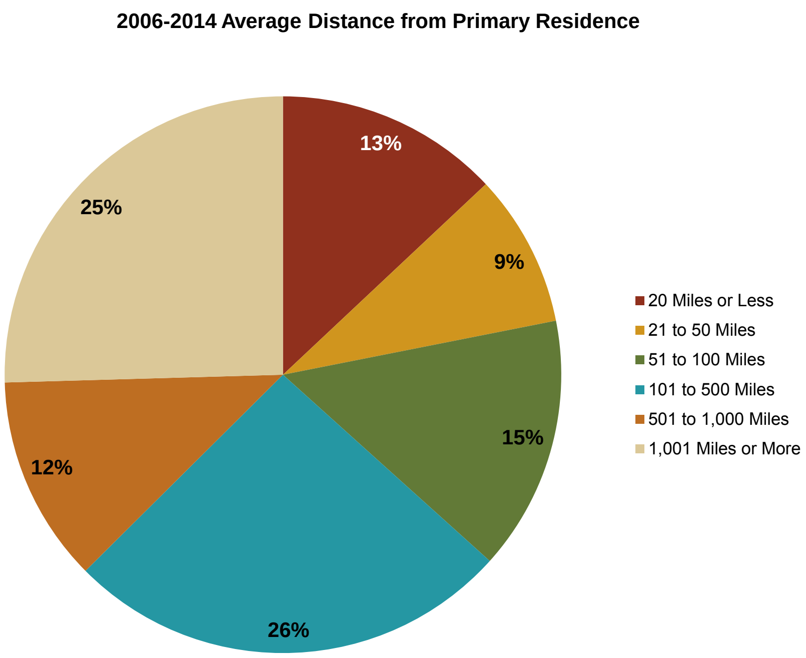
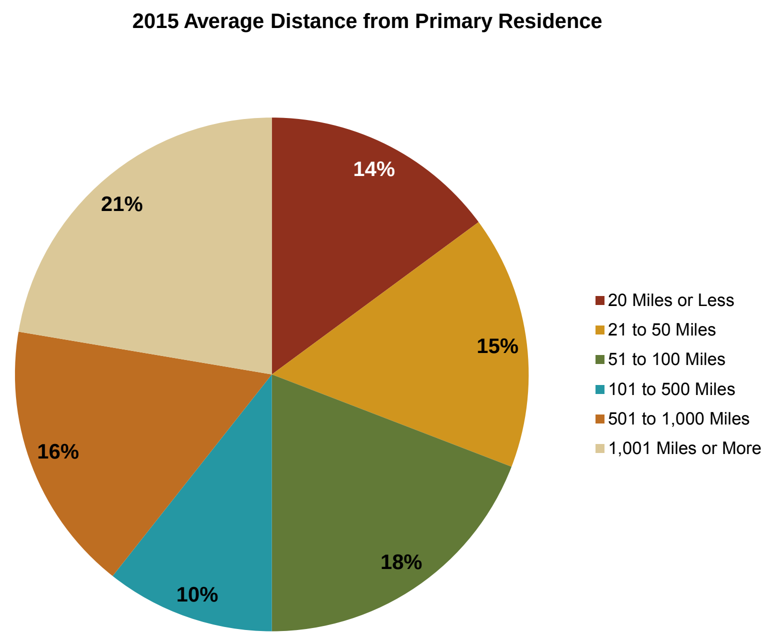
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-1D

SHARE OF VACATION HOME SALES BY DISTANCE FROM PRIMARY RESIDENCE
UNITED STATES
2016



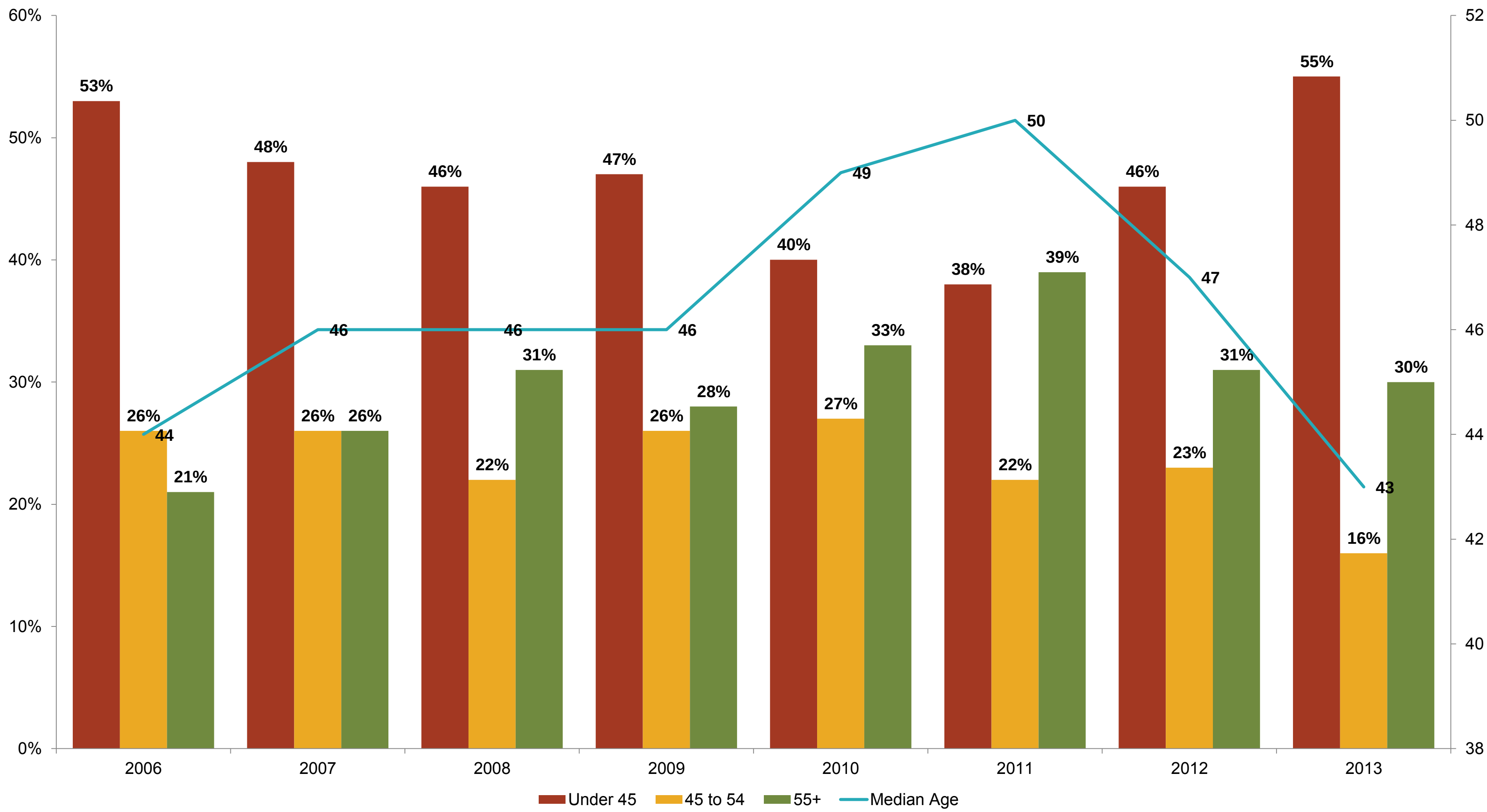


SOURCE: 2016 NAR Vacation and Investment Home Buyers Survey; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-1E

SHARE OF VACATION HOME SALES BY AGE OF BUYER
UNITED STATES
2014



NOTE: Beginning in 2015, the NAR IVHB Survey no longer tracks buyer age.
SOURCE: 2014 NAR Investment and Vacation Home Buyers Survey; RCLCO

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REAL ESTATE ADVISORS

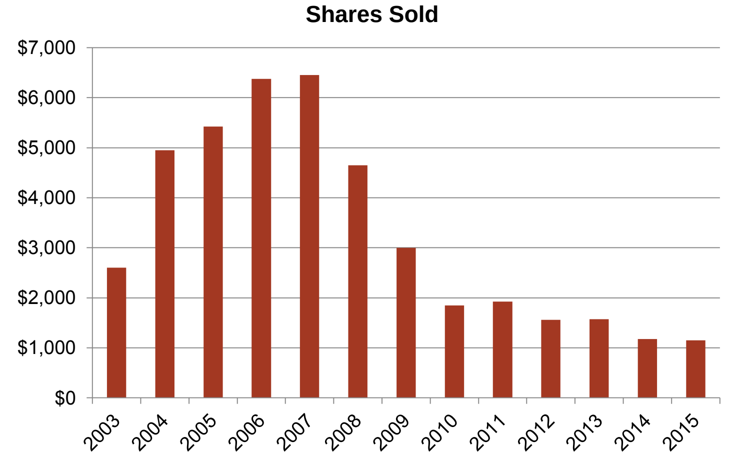
BASE VILLAGE METROPOLITAN DISTRICT #2

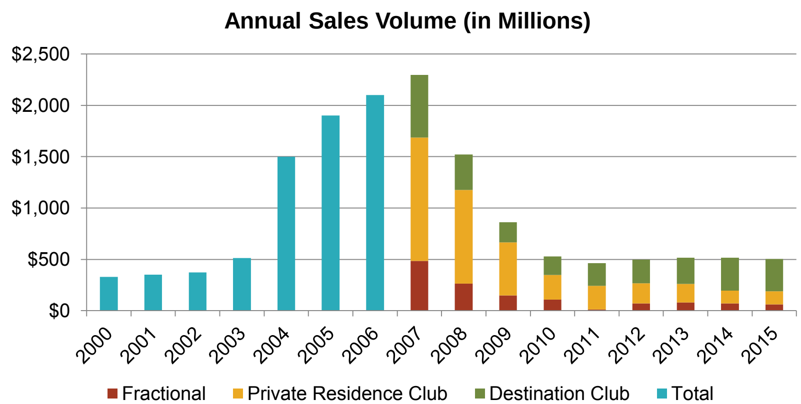
Exhibit IV-2A

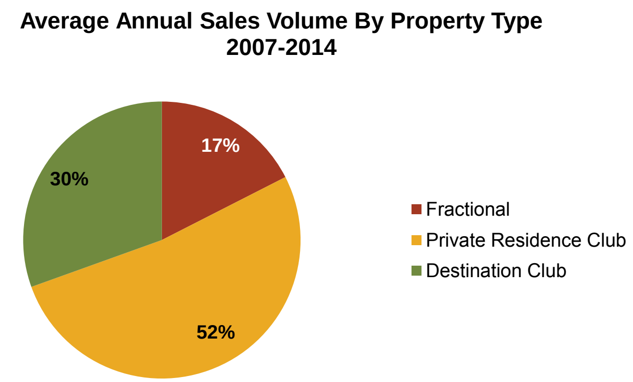
FRACTIONAL AND RESIDENCE CLUB SALES TRENDS
NORTH AMERICA
2016

	Shares Sold	Sales Volume ($ Millions)			
Year	Fractional & PRC	Fractional	Private Residence Club	Destination Club	Total
2000	--	--	--	--	$329
2001	--	--	--	--	$350
2002	--	--	--	--	$373
2003	2,600	--	--	--	$513
2004	4,950	--	--	--	$1,500
2005	5,425	--	--	--	$1,900
2006	6,375	--	--	--	$2,100
2007	6,450	$485	$1,202	$610	$2,297
2008	4,650	$263	$912	$345	$1,520
2009	3,000	$150	$515	$195	$860
2010	1,850	$107	$242	$181	$530
2011	1,925	$13	$228	$221	$552
2012	1,560	$71	$196	$230	$497
2013	1,575	$80	$181	$256	$517
2014	1,175	$71	$126	$319	$516
2015	1,150	$61	$129	$315	$505

NOTE: Sales Volume by product type only available for 2007 and later







NOTE: Ragatz defines Fractionals as communities with a price per square foot below $1,000 and Private Residence Clubs with a price per square foot above $1,000
SOURCE: Ragatz Associates 2016 Shared-Ownership Industry Report

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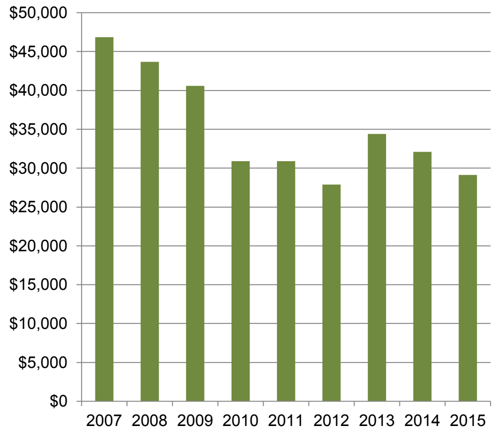
Exhibit IV-2A
U4-13830.00
Printed: 11/28/2016

Exhibit IV-2B

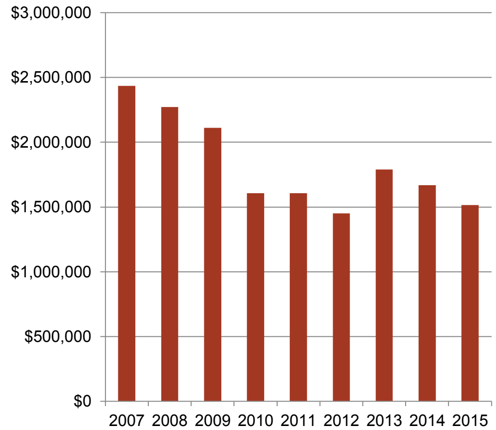
HISTORICAL PRICING OF FRACTIONAL UNITS AND PRIVATE RESIDENCE CLUBS
NORTH AMERICA
2016

AVERAGE PRICE PER:			
YEAR	WEEK	UNIT	$/SF
2007	$46,850	$2,436,200	$1,175
2008	$43,675	$2,271,100	$1,215
2009	$40,600	$2,111,200	$1,135
2010	$30,900	$1,606,800	$930
2011	$30,900	$1,606,800	$900
2012	$27,900	$1,450,800	$830
2013	$34,400	$1,788,800	$910
2014	$32,100	$1,669,200	$905
2015	$29,125	$1,514,500	$865

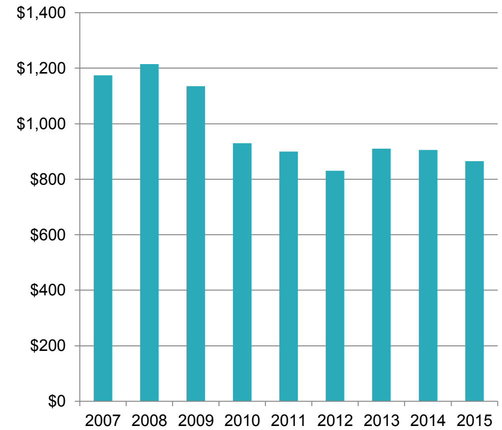
Average Price per Week



Average Price per Unit



Average Price per Square Foot



SOURCE: Ragatz Associates 2016 Shared-Ownership Industry Report

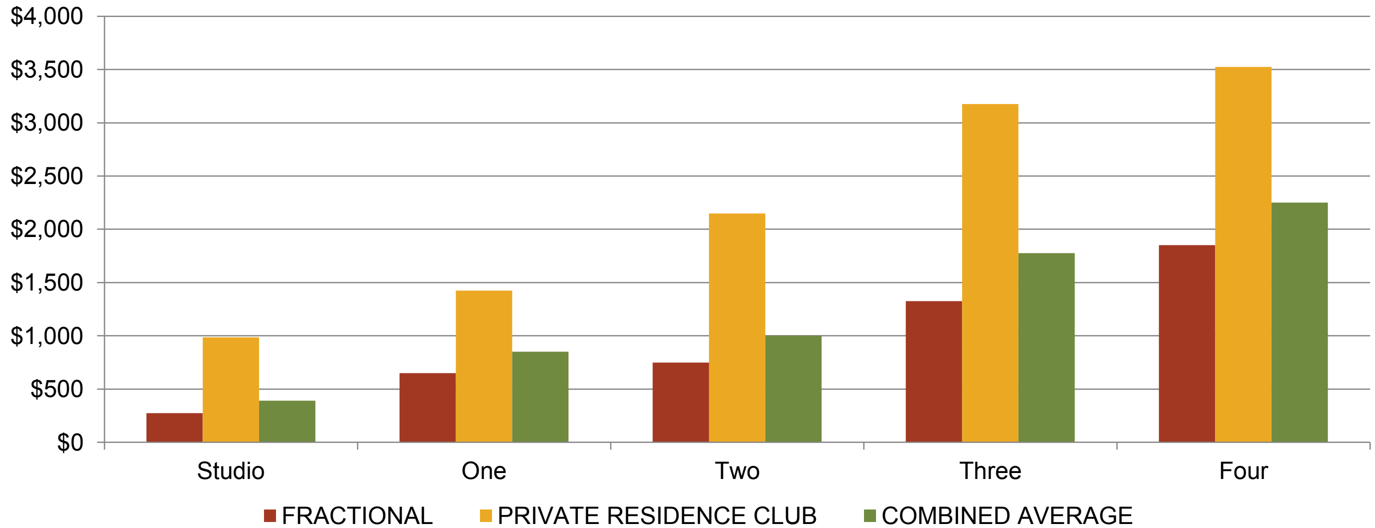
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-2C

HOA FEES OF SHARED-OWNERSHIP UNITS
NORTH AMERICA
2016

	ANNUAL HOA FEES			HOA FEES PER WEEK OF USE		
BEDROOMS	FRACTIONAL	PRIVATE RESIDENCE CLUB	COMBINED AVERAGE	FRACTIONAL	PRIVATE RESIDENCE CLUB	COMBINED AVERAGE
Studio	$2,325	$5,050	$2,775	$275	$985	$390
One	$3,625	$8,675	$5,000	$650	$1,425	$850
Two	$4,700	$10,525	$5,725	$750	$2,150	$1,000
Three	$6,550	$15,325	$8,650	$1,325	$3,175	$1,775
Four	$9,875	$16,100	$12,375	$1,850	$3,525	$2,250
Average	**$5,250**	**$12,225**	**$6,850**	**$950**	**$2,375**	**$1,275**

Annual HOA Fees per Week



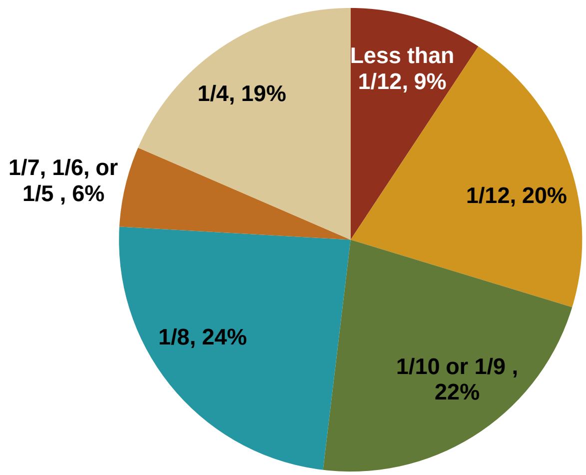
SOURCE: Ragatz Associates 2016 Shared-Ownership Industry Report

Exhibit IV-2D

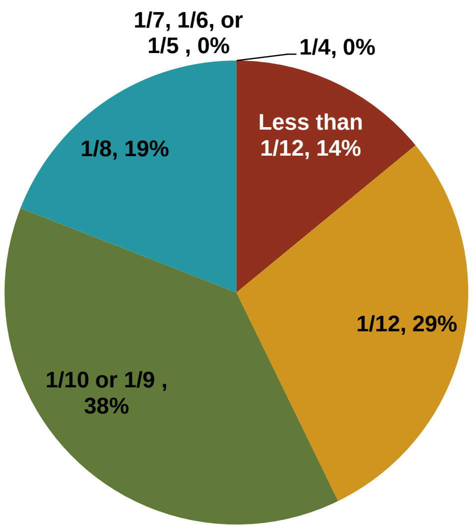
DISTRIBUTION OF SHARED OWNERSHIP SHARES BY SIZE OF SHARE
NORTH AMERICA
2016

SIZE OF SHARE	FRACTIONALS	PRIVATE RESIDENCE CLUBS	COMBINED
Less than 1/12	9%	14%	11%
1/12	20%	29%	23%
1/10 or 1/9	22%	38%	37%
1/8	24%	19%	22%
1/7, 1/6, or 1/5	6%	0%	4%
1/4	19%	0%	13%

Fractional Share Size



Private Residence Club Share Size

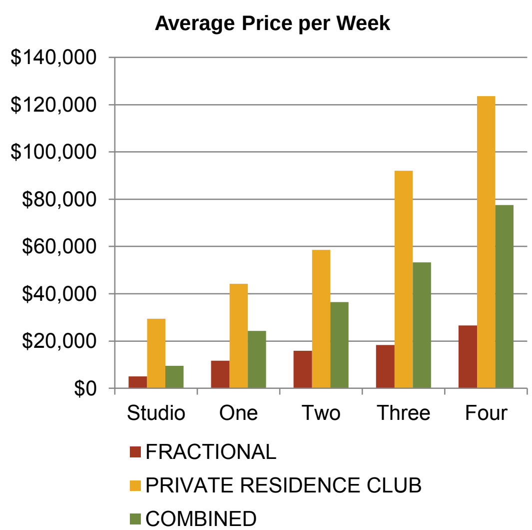


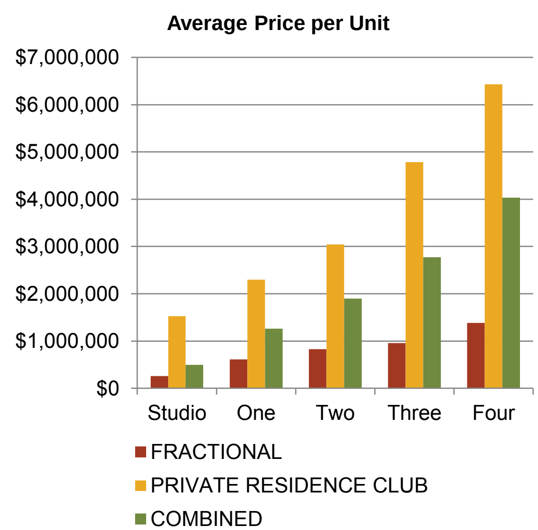
SOURCE: Ragatz Associates 2016 Shared-Ownership Industry Report

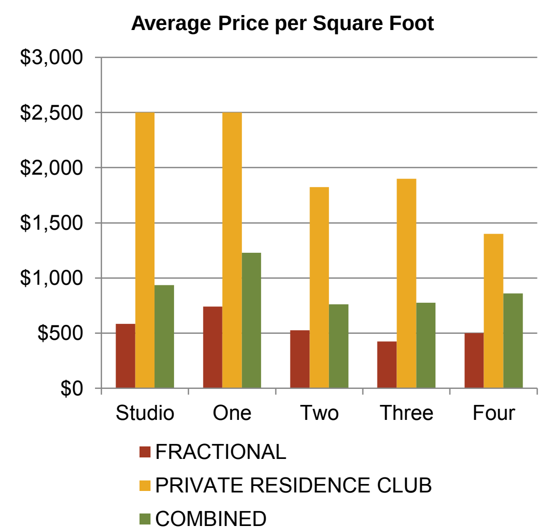
Exhibit IV-2E

PRICING OF SHARED-OWNERSHIP UNITS BY NUMBER OF BEDROOMS
NORTH AMERICA
2016

	AVERAGE PRICE PER WEEK			AVERAGE PRICE PER UNIT			AVERAGE PRICE PER SQUARE FOOT		
BEDROOMS	FRACTIONAL	PRIVATE RESIDENCE CLUB	COMBINED	FRACTIONAL	PRIVATE RESIDENCE CLUB	COMBINED	FRACTIONAL	PRIVATE RESIDENCE CLUB	COMBINED
Studio	$5,000	$29,400	$9,500	$260,000	$1,528,800	$494,000	$585	$2,500	$935
One	$11,700	$44,250	$24,250	$608,400	$2,301,000	$1,261,000	$740	$2,500	$1,230
Two	$15,875	$58,500	$36,450	$825,500	$3,042,000	$1,895,400	$525	$1,825	$760
Three	$18,350	$92,000	$53,300	$954,200	$4,784,000	$2,771,600	$425	$1,900	$775
Four	$26,575	$123,600	$77,550	$1,381,900	$6,427,200	$4,032,600	$500	$1,400	$860
Average	$16,900	$69,700	$29,125	$878,800	$3,624,400	$1,514,500	$530	$1,965	$865







SOURCE: Ragatz Associates 2016 Shared-Ownership Industry Report

Exhibit IV-2F

LOCATION OF FRACTIONAL AND PRIVATE RESIDENCE CLUBS
NORTH AMERICA
2016

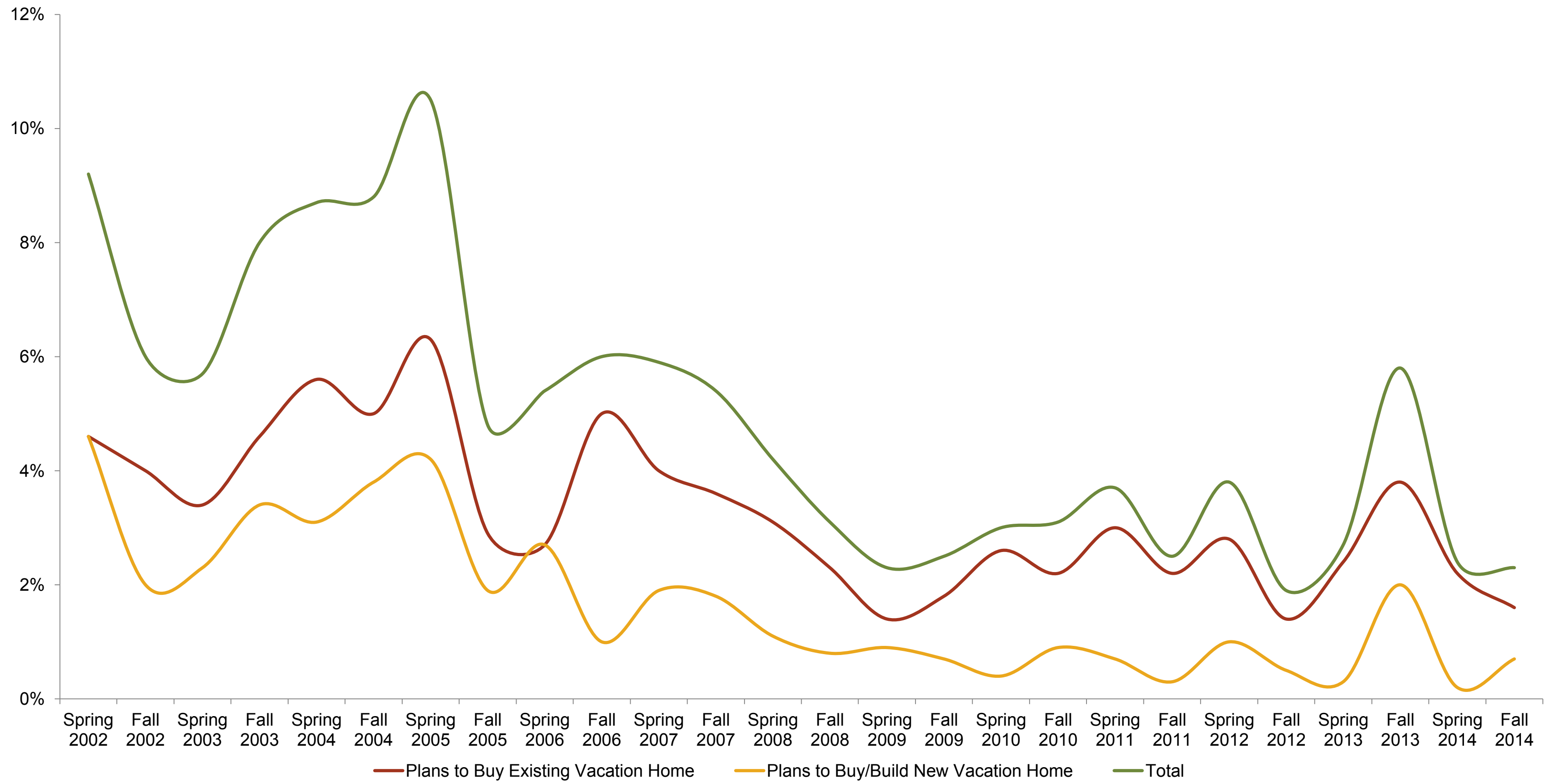
	ALL DEVELOPMENTS			ACTIVE DEVELOPMENTS		
COUNTRY/STATE	FRACTIONAL	PRIVATE RESIDENCE CLUB	TOTAL	FRACTIONAL	PRIVATE RESIDENCE CLUB	TOTAL
United States	162	42	204	30	14	44
Colorado	17	19	36	4	6	10
California	12	10	22	4	5	9
Oregon	13	1	14	--	--	--
South Carolina	13	0	13	--	--	--
Michigan	12	0	12	--	--	--
Vermont	10	0	10	4	0	4
Florida	8	1	9	3	0	3
Montana	7	0	7	--	--	--
North Carolina	6	1	7	--	--	--
Hawaii	2	1	3	--	--	--
Other	62	9	71	15	3	18
Canada	49	3	52	7	0	7
Mexico	17	6	23	4	2	6
Caribbean	17	8	25	3	2	5
Total	**245**	**59**	**304**	**44**	**18**	**62**

SOURCE: Ragatz Associates 2016 Shared-Ownership Industry Report

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3A

SHARE OF HOUSEHOLDS WITH PLANS TO BUY AN EXISTING VACATION HOME OR BUILD A NEW VACATION HOME
WEALTHIEST 10% OF HOUSEHOLDS IN UNITED STATES
2014

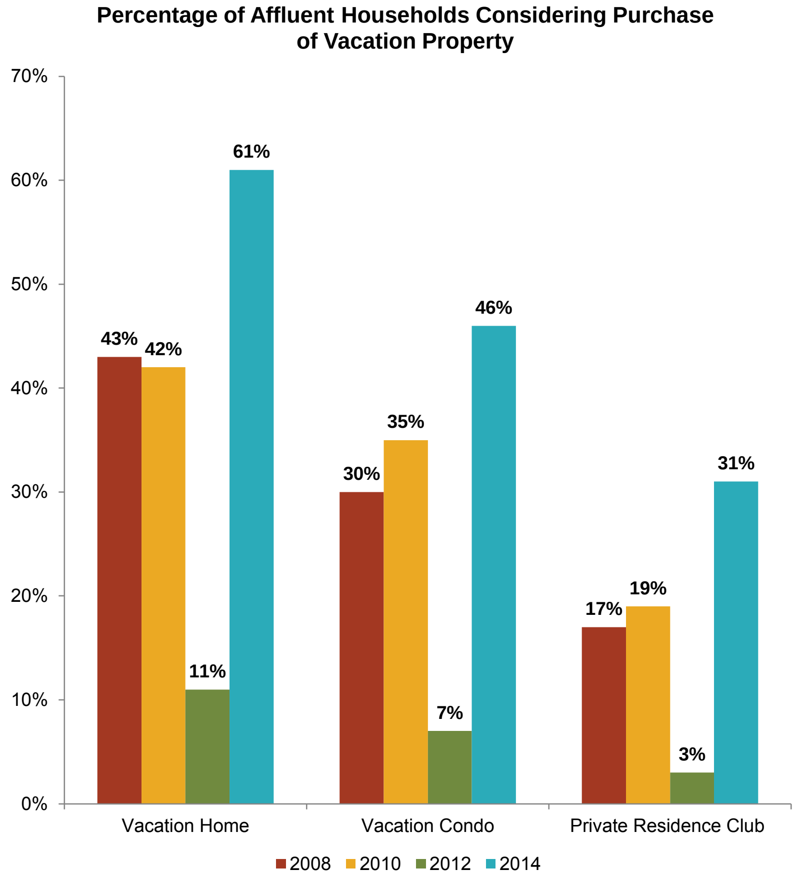


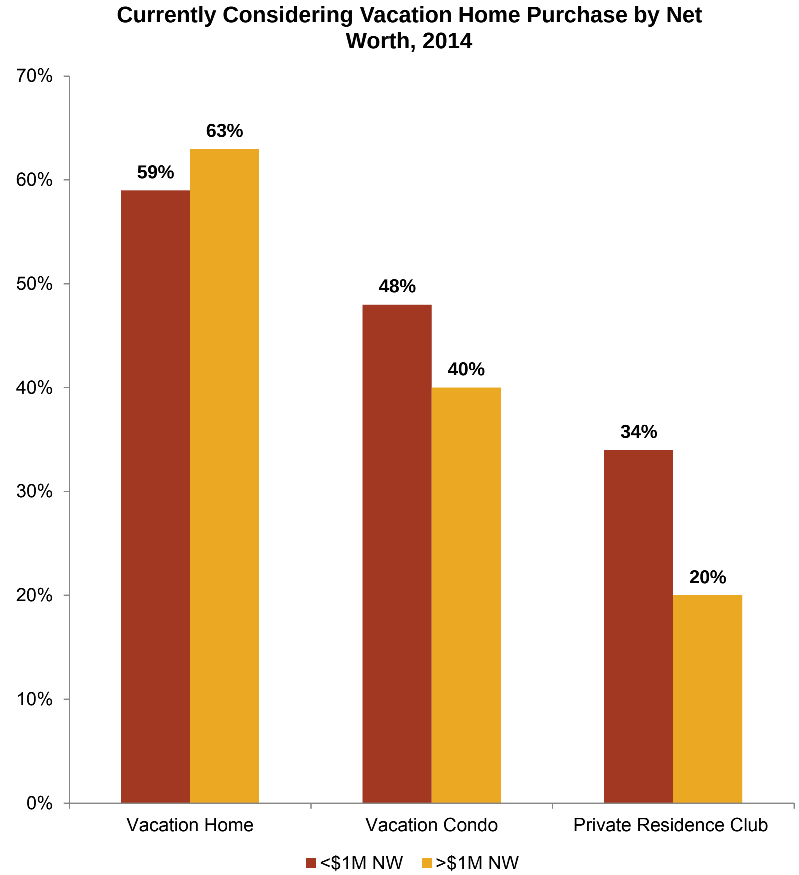
NOTE: The Affluent Market Tracking Study is a survey of the Wealthiest 10% of U.S. Households (minimum net worth of $800,000) that is conducted twice a year asking about likelihood to make major purchases as well as feelings regarding the economy.
SOURCE: The American Affluence Research Center (Survey of Wealthiest 10% of Households)

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3B

VACATION HOME OWNERSHIP AND INTEREST IN OWNERSHIP BY PROPERTY TYPE
UNITED STATES
2015





Note: Resonance Report defines "affluent households" as those with household income above $150,000
SOURCE: Resonance Report 2015 Real Estate Report

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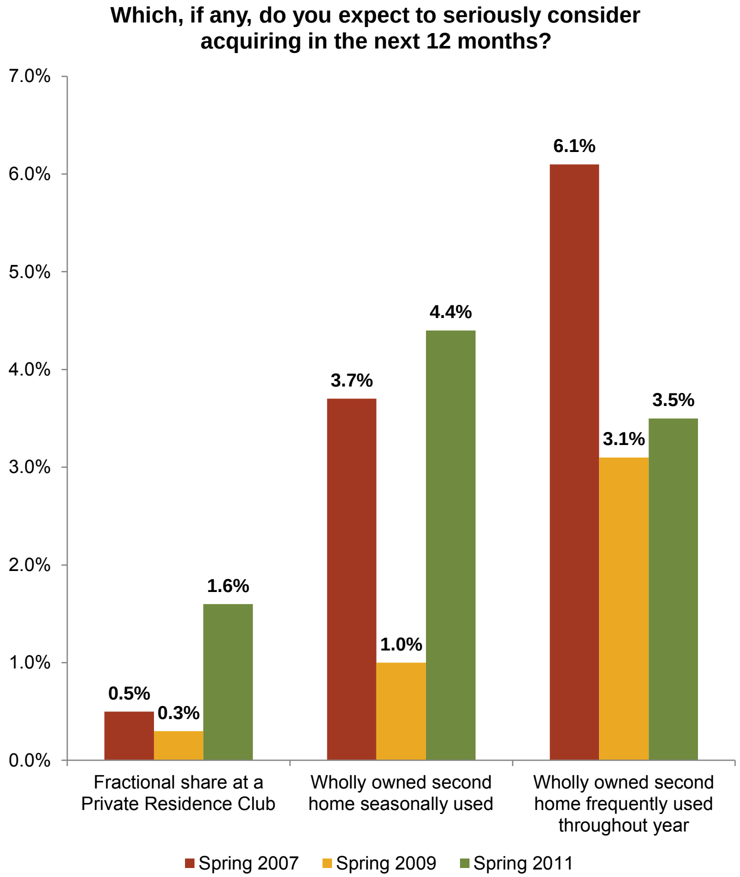
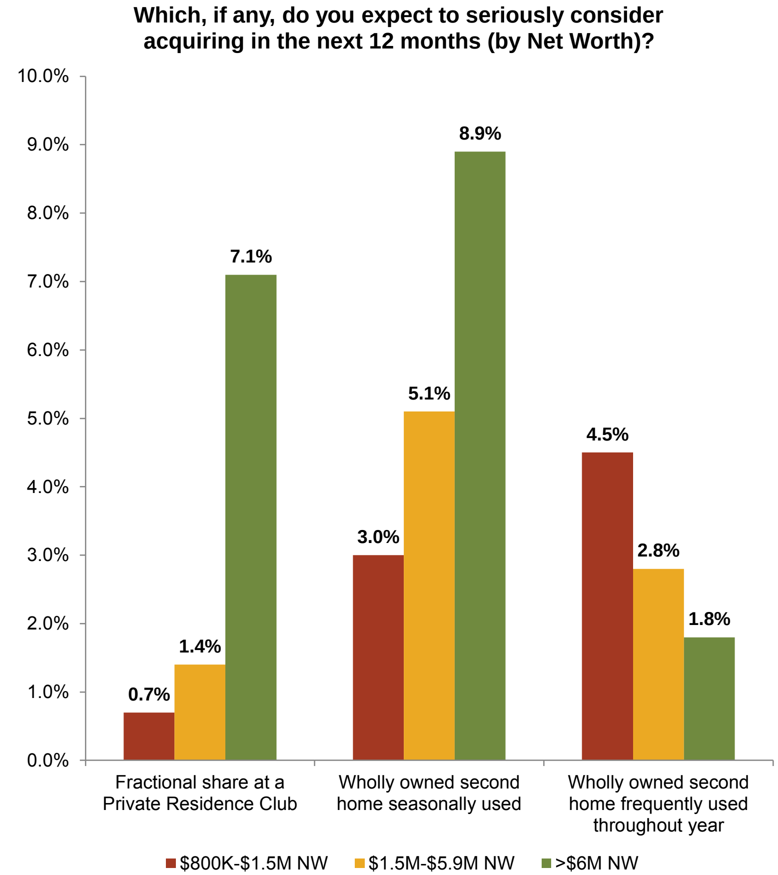
Exhibit IV-3B
U4-13830.00
Printed: 11/28/2016

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3C

VACATION HOME OWNERSHIP AND INTEREST IN OWNERSHIP BY PROPERTY TYPE
UNITED STATES
2011



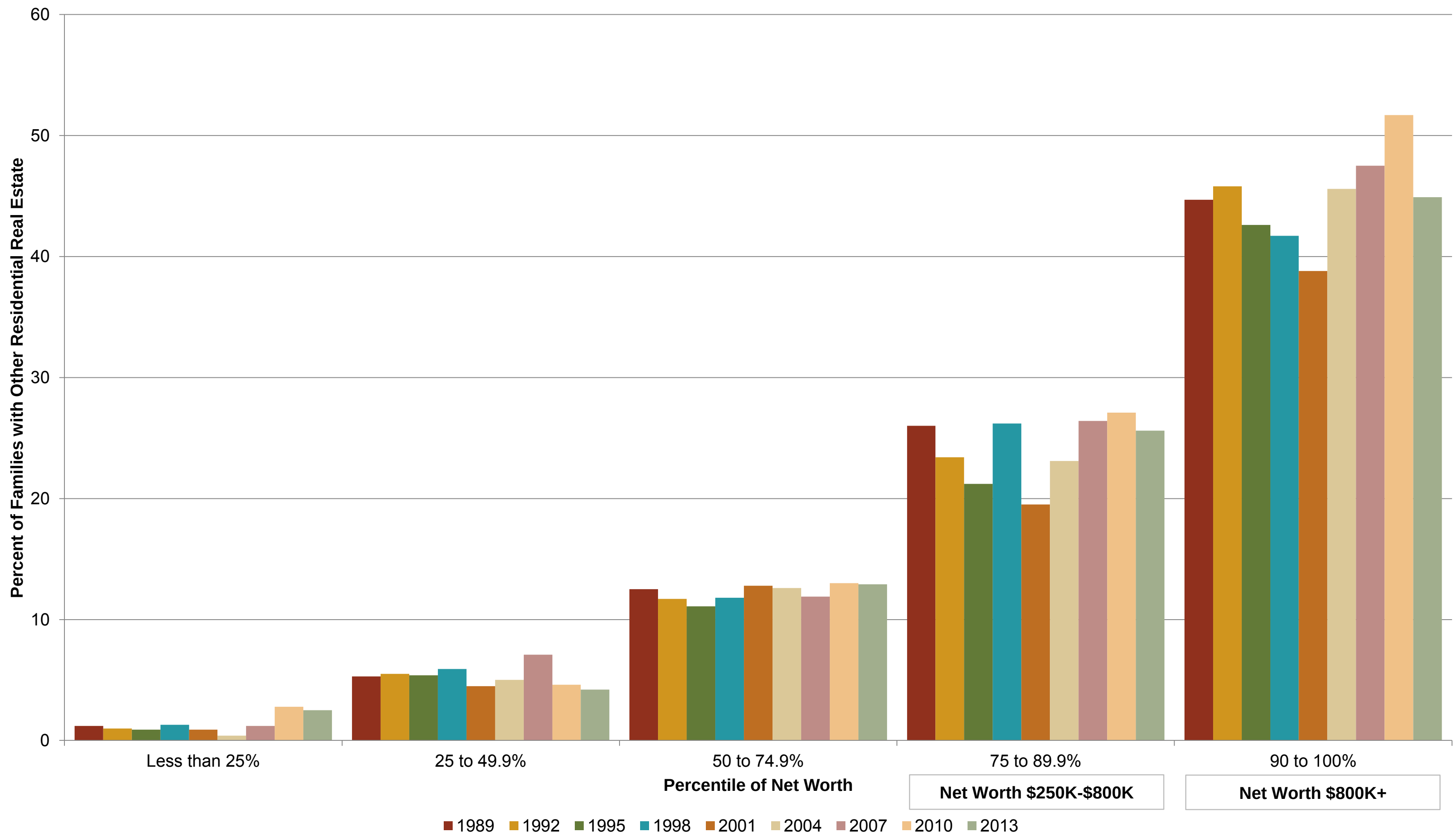


Note: American Affluence Research Center surveys the wealthiest 10% of U.S. households (generally with a minimum net worth of $800,000)
SOURCE: American Affluence Research Center, 2011

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3D

SHARE OF FAMILIES WITH OTHER RESIDENTIAL REAL ESTATE BY NET WORTH PERCENTILE
UNITED STATES
2013



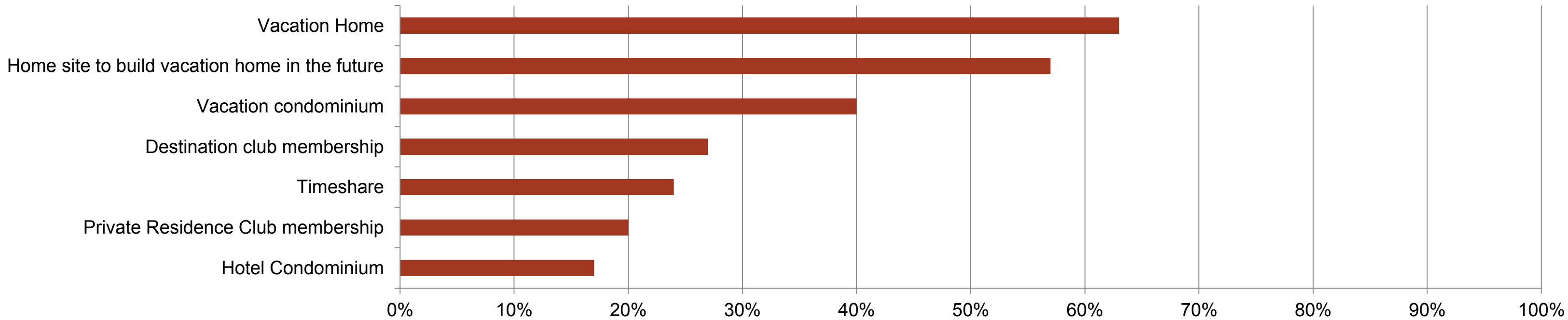
SOURCE: Survey of Consumer Finances 2013

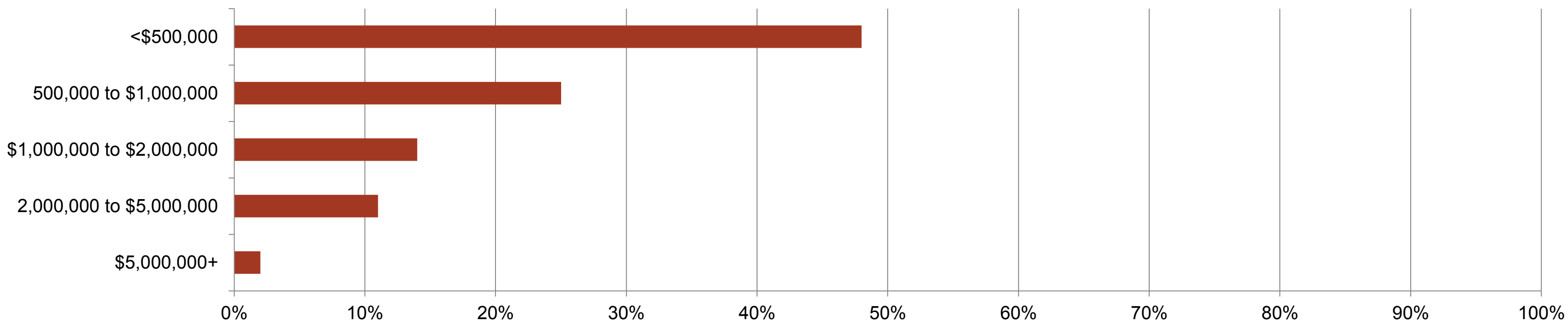
RCLCO REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3E

VACATION HOME TYPE PREFERENCES AND WILLINGNESS TO PAY AMONG $1 MILLION+ NET WORTH INDIVIDUALS
UNITED STATES
2015



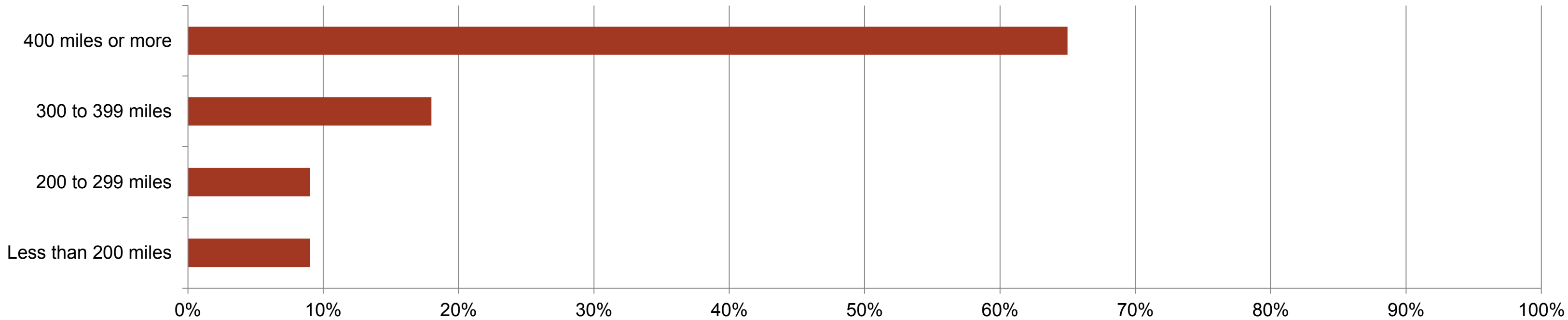


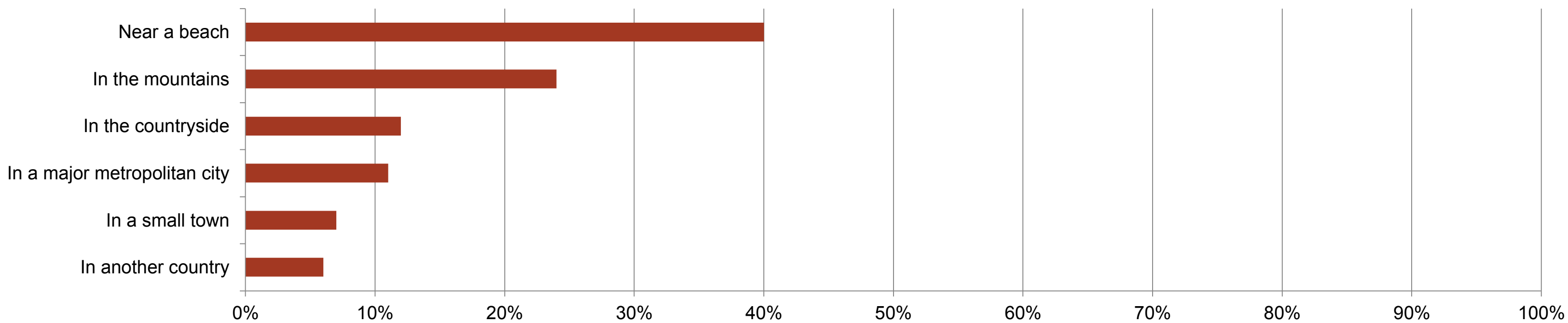
SOURCE: Resonance Report 2015 Real Estate Report

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3F

VACATION HOME LOCATION PREFERENCES AMONG $1 MILLION+ NET WORTH INDIVIDUALS
UNITED STATES
2015



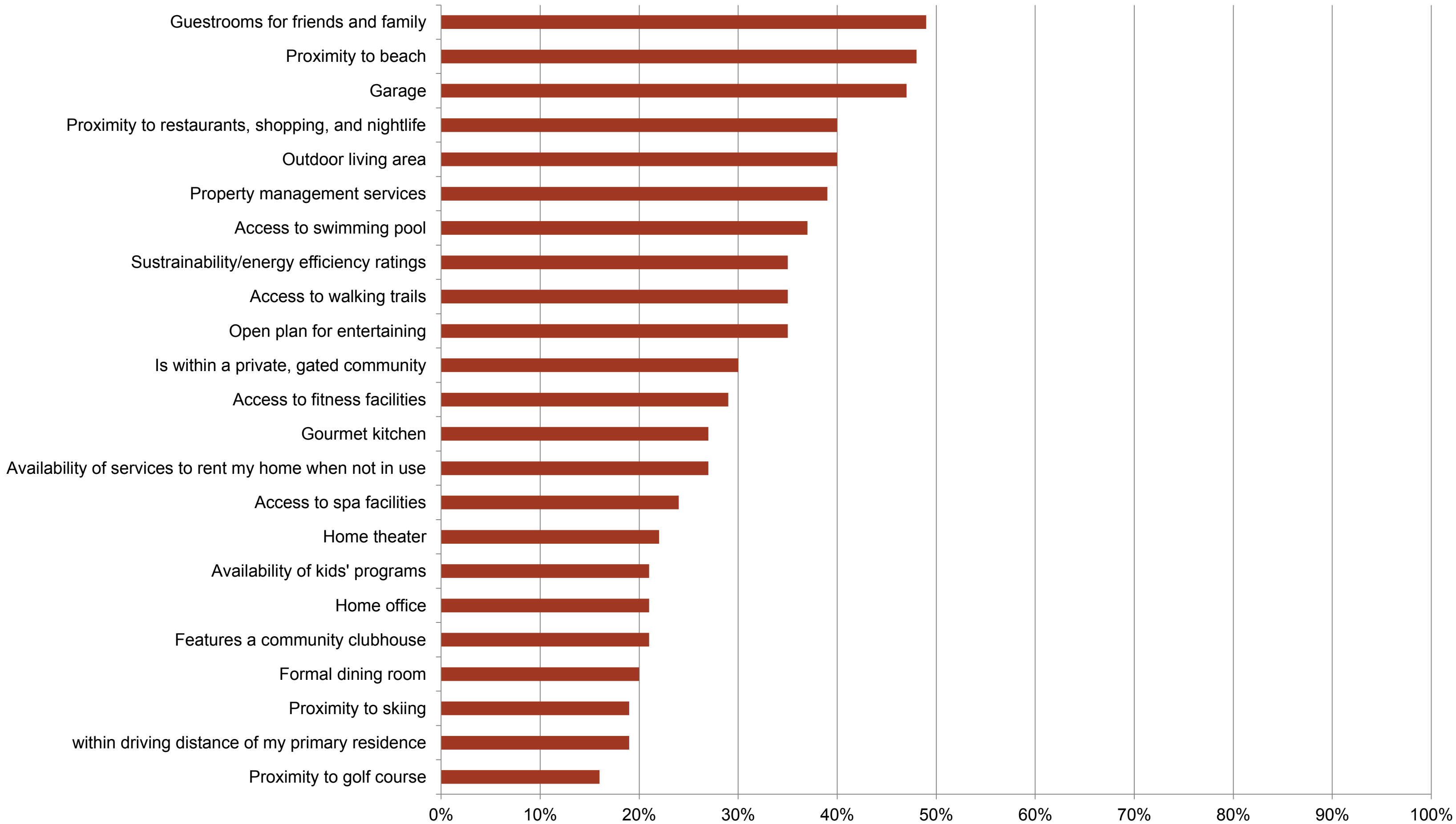


SOURCE: Resonance Report 2015 Real Estate Report

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit IV-3G

VACATION HOME FEATURES CONSIDERED IMPORTANT OR VERY IMPORTANT AMONG $1 MILLION+ NET WORTH INDIVIDUALS
UNITED STATES
2015



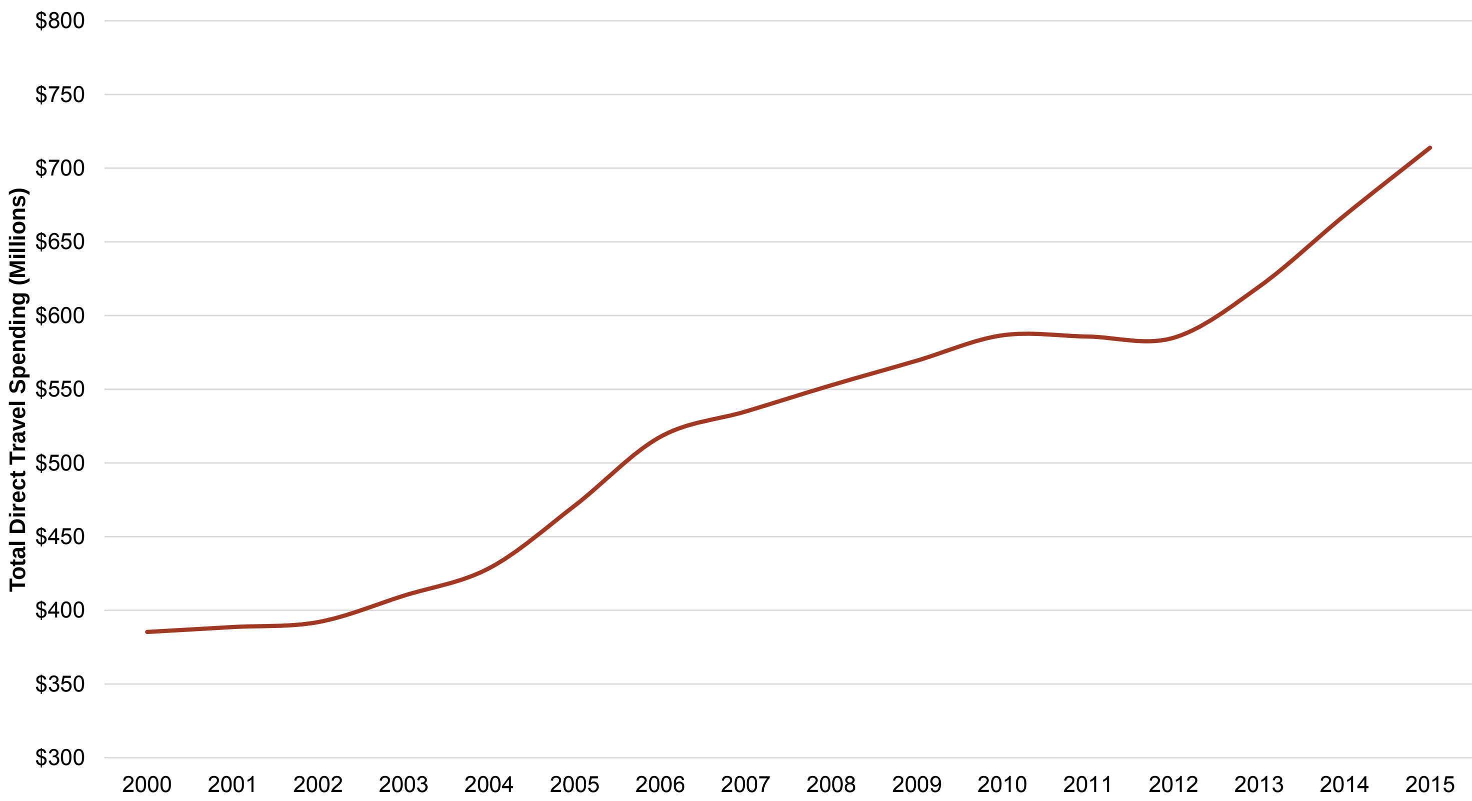
SOURCE: Resonance Report 2015 Real Estate Report

V. HOSPITALITY

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-1

ANNUAL DIRECT TRAVEL SPENDING
PITKIN COUNTY, CO
2000-2015

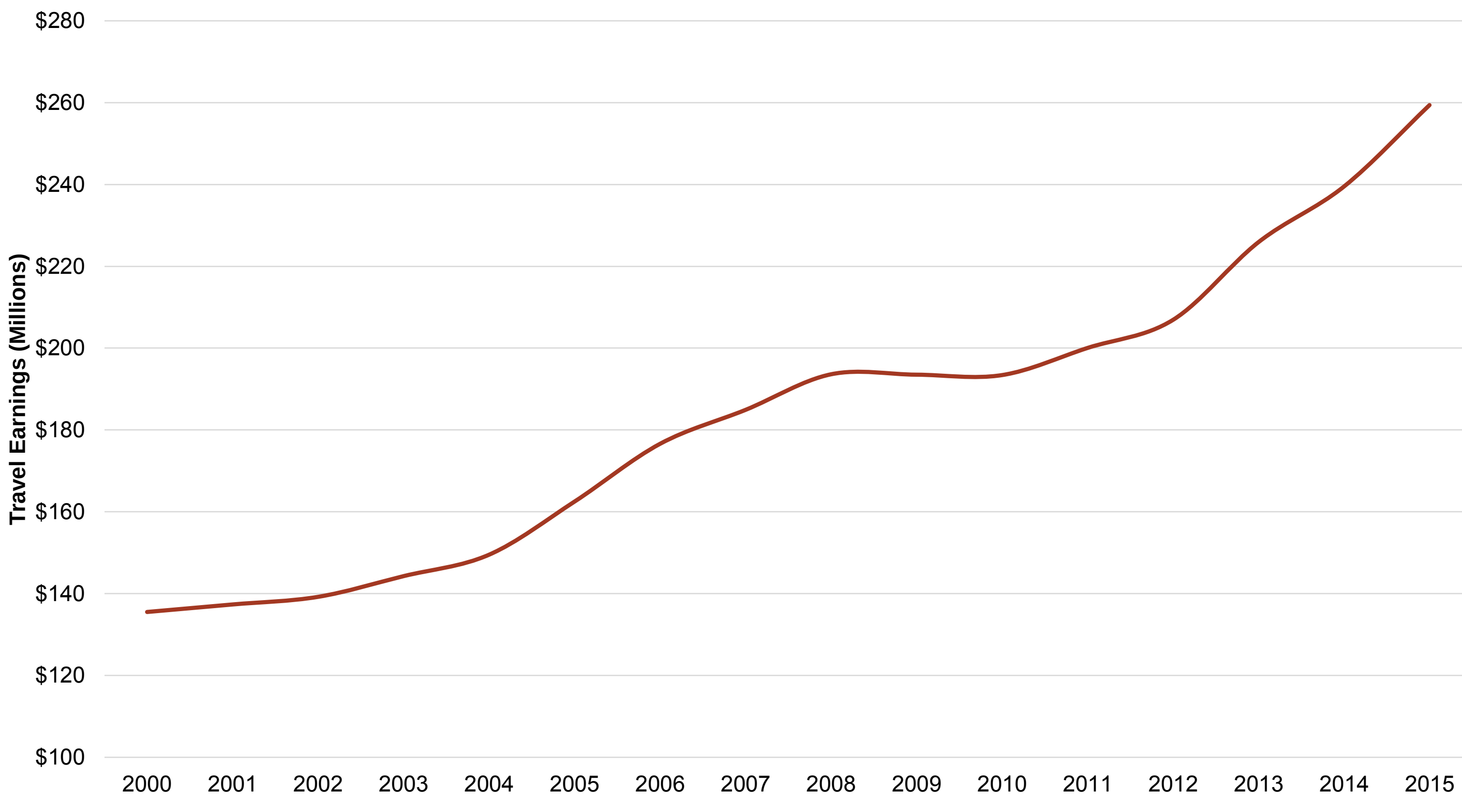


NOTE: Data for 2001, 2003, 2005, 2007, 2009, and 2011 is estimated based on a linear growth rate.
NOTE: Total Direct Travel Spending includes the total visitor spending in Pitkin County, plus spending on travel agencies and resident air travel (other spending). Total direct travel spending does not include secondary (indirect and induced) effects.
SOURCE: Colorado Travel Impacts June 2016 Report; Dean Runyan Associates; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-2

ANNUAL TRAVEL EARNINGS
PITKIN COUNTY, CO
2000-2015



NOTE: Data for 2001, 2003, 2005, 2007, 2009, and 2011 is estimated based on a linear growth rate.
NOTE: Annual Travel Earnings refer to the earnings (wage and salary disbursements, earned benefits and proprietor income) of employees and owners of businesses that receive travel expenditures. Only the earnings attributable to travel expenditures are included.
SOURCE: Colorado Travel Impacts June 2016 Report; Dean Runyan Associates; RCLCO

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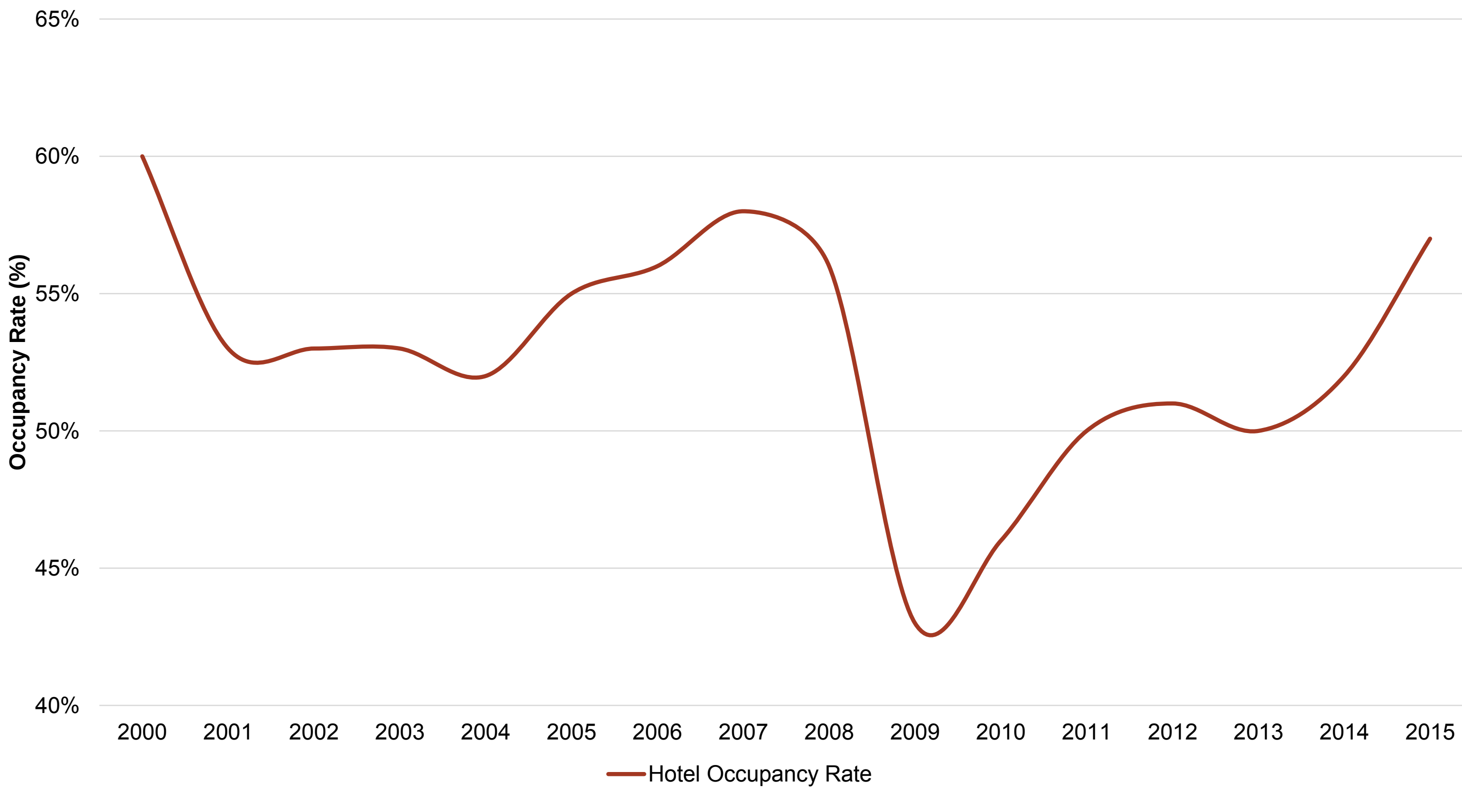
REAL ESTATE ADVISORS

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-3

HOTEL OCCUPANCY RATE
ASPEN, CO
2000-2015



SOURCE: Aspen Chamber Resort Association; RCLCO

Exhibit V-4

HOTEL INVENTORY
GREATER ASPEN REGION
SEPTEMBER 2016

HOTEL	LOCATION	CLASS	AFF DATE	OPEN DATE	ROOMS
Aspen Silverglo	Aspen, CO	Upper Upscale Class	Jun-70	Jun-70	28
St Regis Aspen Resort	Aspen, CO	Luxury Class	Nov-11	Oct-92	179
Lift One Condominiums	Aspen, CO	Luxury Class	Jun-75	Jun-75	27
Aspen Square Suites	Aspen, CO	Upper Midscale Class	Sep-69	Sep-69	103
Hotel Jerome	Aspen, CO	Luxury Class	Dec-12	N/A	93
The Gant Hotel	Aspen, CO	Luxury Class	Jun-73	Jun-73	121
Mountain Chalet Inn	Aspen, CO	Economy Class	Jun-54	Jun-54	63
Kimpton Sky Hotel	Aspen, CO	Upper Upscale Class	Jun-02	Jun-62	90
Hearthstone House	Aspen, CO	Upscale Class	Jun-62	Jun-62	17
L`Auberge D`Aspen	Aspen, CO	Economy Class	Feb-85	Feb-85	16
Ascend Collection Bluegreen Vacations Innsbruck Aspen	Aspen, CO	Upscale Class	Jul-15	Jun-07	17
Limelight Hotel	Aspen, CO	Luxury Class	Nov-08	Nov-08	126
Hotel Lenado	Aspen, CO	Upper Upscale Class	Jun-84	Jun-84	19
Aspen Mountain Lodge	Aspen, CO	Upscale Class	Jun-80	Jun-80	38
Hotel Durant	Aspen, CO	Upscale Class	N/A	N/A	19
St Moritz Lodge	Aspen, CO	Upper Midscale Class	Jun-48	Jun-48	35
Mountain House Lodge	Aspen, CO	Upper Midscale Class	Jun-73	Jun-73	24
Molly Gibson Lodge	Aspen, CO	Upper Upscale Class	Jun-80	Jun-80	52
The Annabelle Inn	Aspen, CO	Upscale Class	Feb-05	Jun-48	35
Dolce Aspen Meadows Resort	Aspen, CO	Upper Upscale Class	Apr-15	Jun-92	98
Hotel Aspen	Aspen, CO	Upscale Class	Jun-86	Jun-86	45
Independence Square Hotel	Aspen, CO	Upper Upscale Class	N/A	N/A	25
The Little Nell	Aspen, CO	Luxury Class	Dec-09	Nov-89	92
Inn @ Aspen	Aspen, CO	Luxury Class	Jan-69	Jan-69	122
Snowmass Inn	Snowmass Village, CO	Midscale Class	Jun-68	Jun-68	39
Viceroy Snowmass	Snowmass Village, CO	Luxury Class	Nov-09	Nov-09	159
The Crestwood Lodge	Snowmass Village, CO	Upper Midscale Class	Jun-69	Jun-69	124
Aspenwood Condominiums	Snowmass Village, CO	Midscale Class	Jun-67	Jun-67	45
Top Of The Village	Snowmass Village, CO	Upper Upscale Class	N/A	N/A	253
Stonebridge Inn	Snowmass Village, CO	Midscale Class	Jun-69	Jun-69	92
Westin Snowmass Resort	Snowmass Village, CO	Upper Upscale Class	Nov-12	Dec-67	254
Pokolodi Lodge	Snowmass Village, CO	Midscale Class	Jun-67	Jun-67	50
Holiday Inn Express Snowmass Village	Snowmass Village, CO	Upper Midscale Class	Dec-14	Dec-68	151
Snowmass Mountain Chalet	Snowmass Village, CO	Upper Upscale Class	Jun-68	Jun-68	64

SOURCE: Smith Travel Research; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-5

DEFINITION OF THE CHAIN SCALE
SMITH TRAVEL RESEARCH
2016

CHAINSCALE DEFINITION

Chain scale segments are a method by which branded hotels are grouped based on the actual average room rates (ADR).
Independent hotels, regardless of their average room rates, are included as a separate chain scale category.
The chain scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy, and Independents.

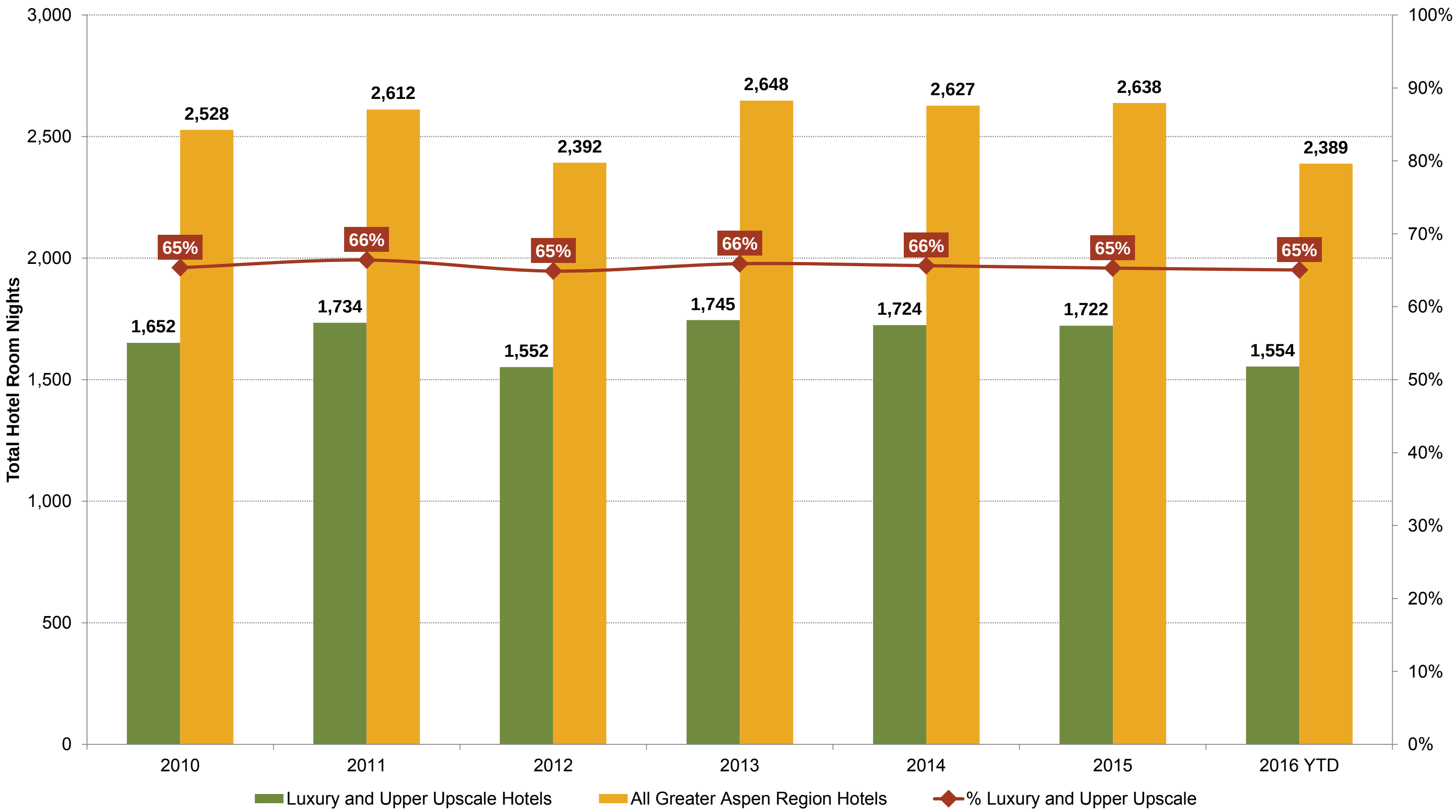
EXAMPLES					
ECONOMY	MIDSCALE	UPPER MIDSCALE	UPSCALE	UPPER UPSCALE	LUXURY
Affordable Suite of America	3 Palms Hotels & Resorts	Ayres	aloft Hotel	Ace Hotel	AKA
America's Best Inn	A Victory Hotels	Aqua Hotels & Resorts	Ascend Collection	Affinia	Andaz
Americas Best Value Inn	America's Best Suites	Best Western Plus	Aston Hotel	Autograph Collection	Belmond
Budget Host	AmercInn	Boarders Inn & Suites	Best Western Premier	Club Quarters	Conrad
Budget Suites of America	Baymont Inn & Suites	Centerstone Hotels	Cambria Suites	Curio Collection	Dorchester Collection
Budgetel	Best Western	Chase Suites	Canad Inn	Delta	Fairmont
Country Hearth Inn	Cabot Lodge	Clarion	Club Med	Dolce	Four Seasons
Crestwood Suites	Candlewood Suites	Cobblestone	Coast Hotels & Resorts USA	Dream Hotels	Grand Hyatt
Crossland Suites	ClubHouse	Comfort Inn	Courtyard	Embassy Suites	Intern
Days Inn	Crossings by GrandStay	Comfort Suites	Crowne Plaza	Gaylord	JW Marriott
Downtowner Inn	Crystal Inn	Country Inn & Suites	Disney Hotels	Hard Rock	Langham
Econo Lodge	Fairbridge Inn	Doubletree Club	DoubleTree	Hilton	Loews
Extended Stay America	GrandStay Residential Suites	Drury Inn	element	Hyatt	Luxury Collection
E-Z 8	Hawthorn Suites by Wyndham	Drury Inn & Suites	Four Points	Hyatt Regency	Mandarin Oriental
Family Inns of America	InnSuites Hotel	Drury Lodge	Grand America	Joie De Vivre	Montage
Good Nite Inn	Lakeview Distinctive Hotels	Drury Plaza Hotel	Great Wolf Lodge	Kimpton	Palace Resorts
Great Western	LaQuinta Inn & Suites	Drury Suites	Hilton Garden Inn	Le Meridien	Park Hyatt
GuestHouse Inn	MainStay Suites	Fairfield Inn	Homewood Suites	Marriott	Ritz-Carlton
Home-Towne Suites	Oak Tree Inn	Golden Tulip	Hotel Indigo	Marriott Conference Center	RockResorts
Howard Johnson Express	Quality Inn	Hampton Inn	Hyatt House	Millennium	Rosewood
InTown Suites	Ramada	Hampton Inn & Suites	Hyatt Place	Omni	Sofitel
Jameson Inn	Red Lion	Holiday Inn	Legacy Vacation Club	Pan Pacific Hotel Group	St. Regis
Key West Inn	Rode Inn	Holiday Inn Express	Melia	Radisson Blu	Taj
Knights Inn	Settle Inn	Home2 Suites by Hilton	Novotel	Renaissance	The Peninsula
Master Hosts Inn	Shilo Inn	Isle of Capri	NYLO Hotel	Sheraton Hotel	Thomspon Hotels
Masters Inn	Sleep Inn	Larkspur Landing	Outrigger	Sonesta Hotel	Trump Hotel Collection
Microtel Inn & Suites by Wyndham	Vagabond Inn	Lexington	Radisson	Starhotels	Viceroy
Motel 6	Vista	Night Hotels	Residence Inn	Swissotel	W Hotel
National 9	Wingate by Wyndham	OHANA	Shell Vacations Club	Warwick Hotels	Waldorf-Astoria
Passport Inn		Park Inn	Springhill Suites	Westing	
Pear Tree Inn		Phoenix Inn	Staybridge Suites	Wyndham	
Red Carpet Inn		Ramada Plaza			
Red Roof Inn		Real Inn			
Rodeway Inn		Silver Could			
Savannah Suites		Sonesta ES Suites			
Scottish Inn		Tryp by Wyndham			
Select Inn		TownePlace Suites			
Studio 6		Westmark			
Suburban Extended Stay		Wyndham Garden Hotel			
Sun Suites Hotels		Xanterra			
Super 8					
Travelodge					
Value Place					
Yotel					

SOURCE: Smith Travel Research

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-6A

TOTAL ROOMS AND PERCENTAGE OF SUPPLY
GREATER ASPEN REGION
SEPTEMBER 2016



NOTE: 2016 YTD through August 2016.
SOURCE: Smith Travel Research; RCLCO

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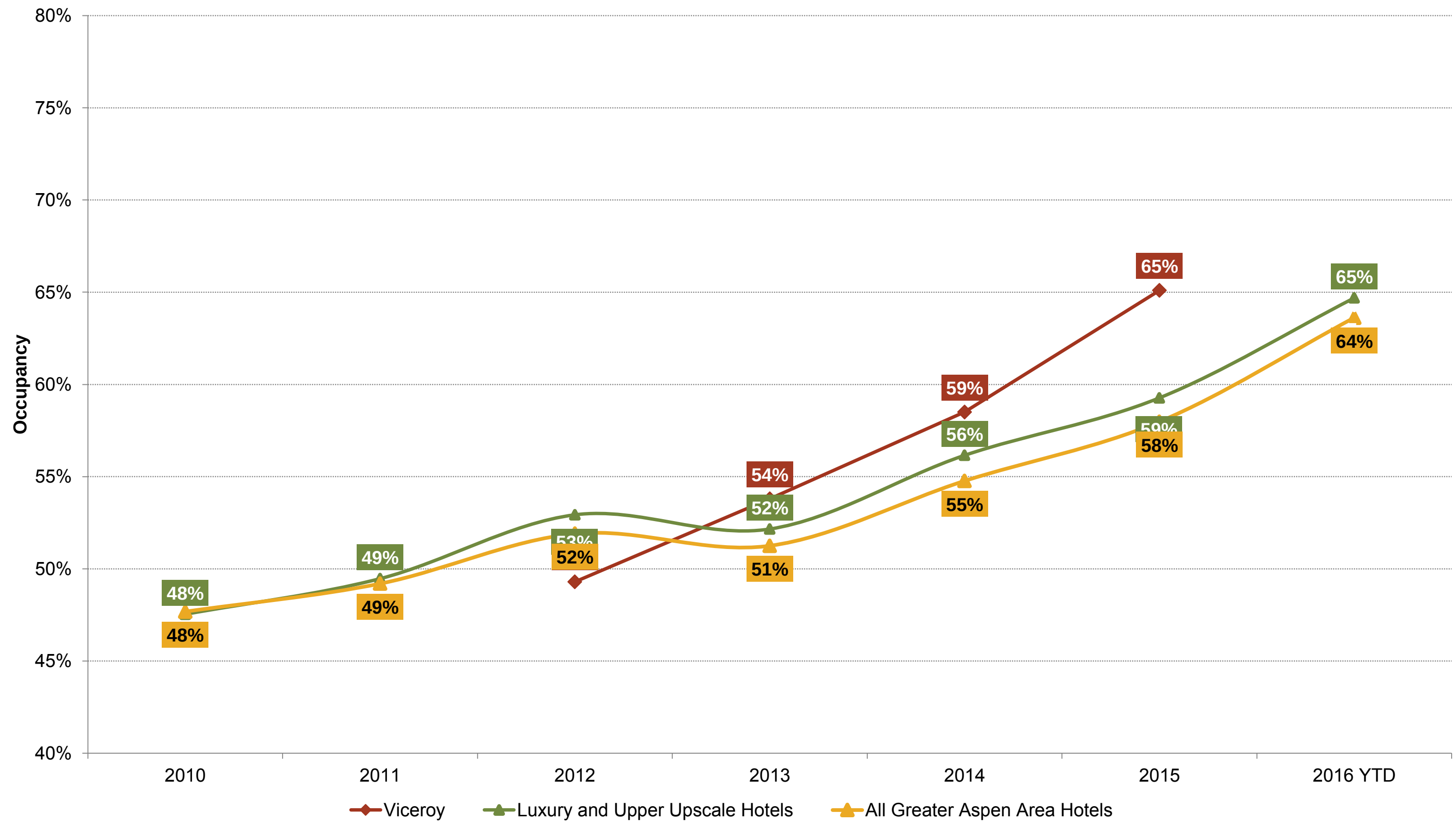
REAL ESTATE ADVISORS

Exhibit V-6A
U4-13830.00
Printed: 11/28/2016

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-6B

OCCUPANCY
GREATER ASPEN REGION
SEPTEMBER 2016

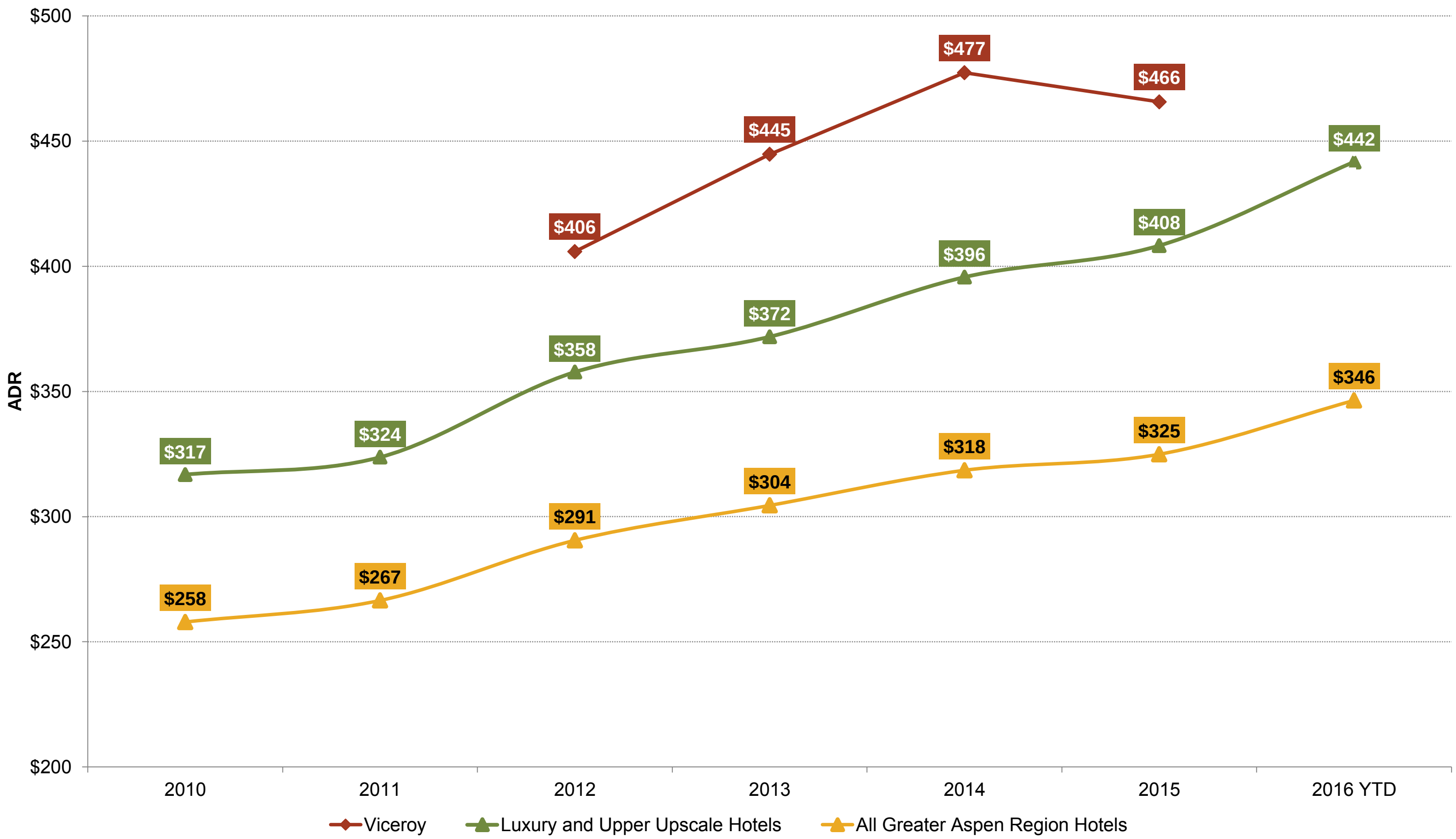


NOTE: 2016 YTD through August 2016.
NOTE: 2015 data for Viceroy is through September 2015.
SOURCE: East West Partners; Smith Travel Research; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-6C

AVERAGE DAILY RATES (ADR)
GREATER ASPEN REGION
SEPTEMBER 2016



NOTE: 2016 YTD through August 2016.
NOTE: 2015 data for Viceroy is through September 2015.
SOURCE: East West Partners; Smith Travel Research; RCLCO

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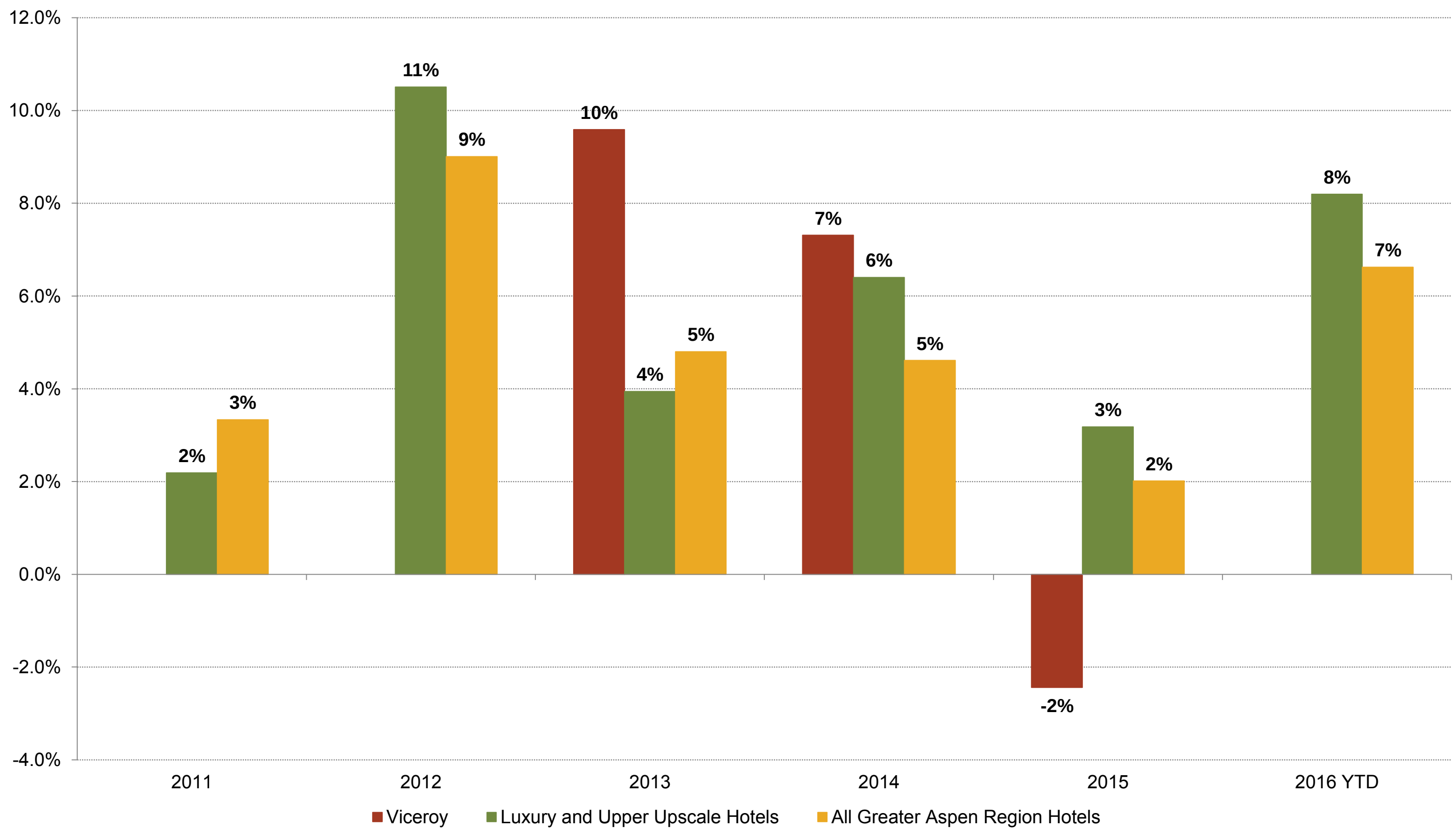
Exhibit V-6D

ANNUAL AVERAGE DAILY RATE GROWTH
GREATER ASPEN REGION
SEPTEMBER 2016

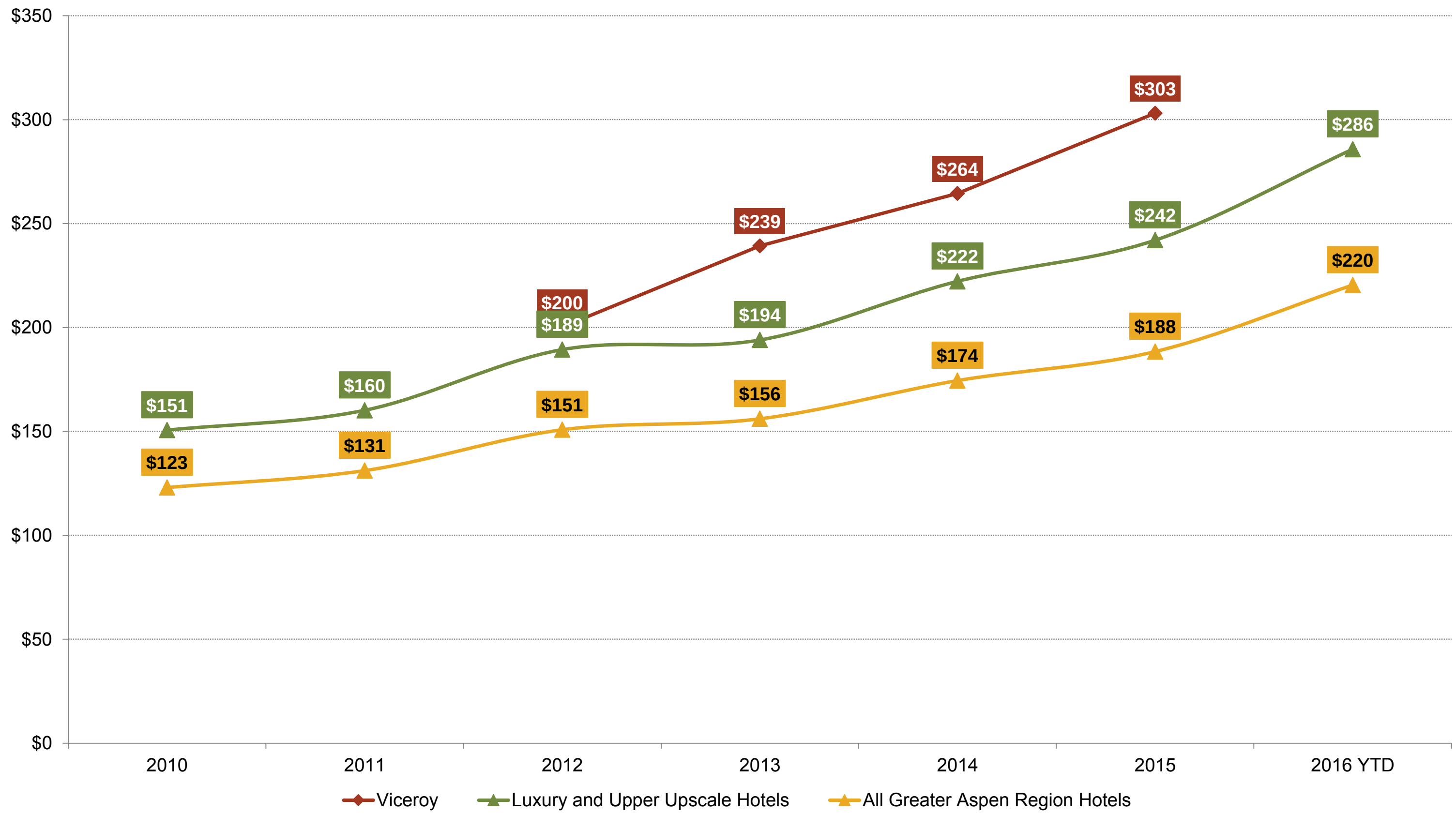


NOTE: 2016 YTD through August 2016.
SOURCE: East West Partners; Smith Travel Research; RCLCO

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-6E

REVENUE PER AVAILABLE ROOM
GREATER ASPEN REGION
SEPTEMBER 2016



NOTE: 2016 YTD through August 2016.
NOTE: 2015 data for Viceroy is through September 2015.
SOURCE: East West Partners; Smith Travel Research; RCLCO

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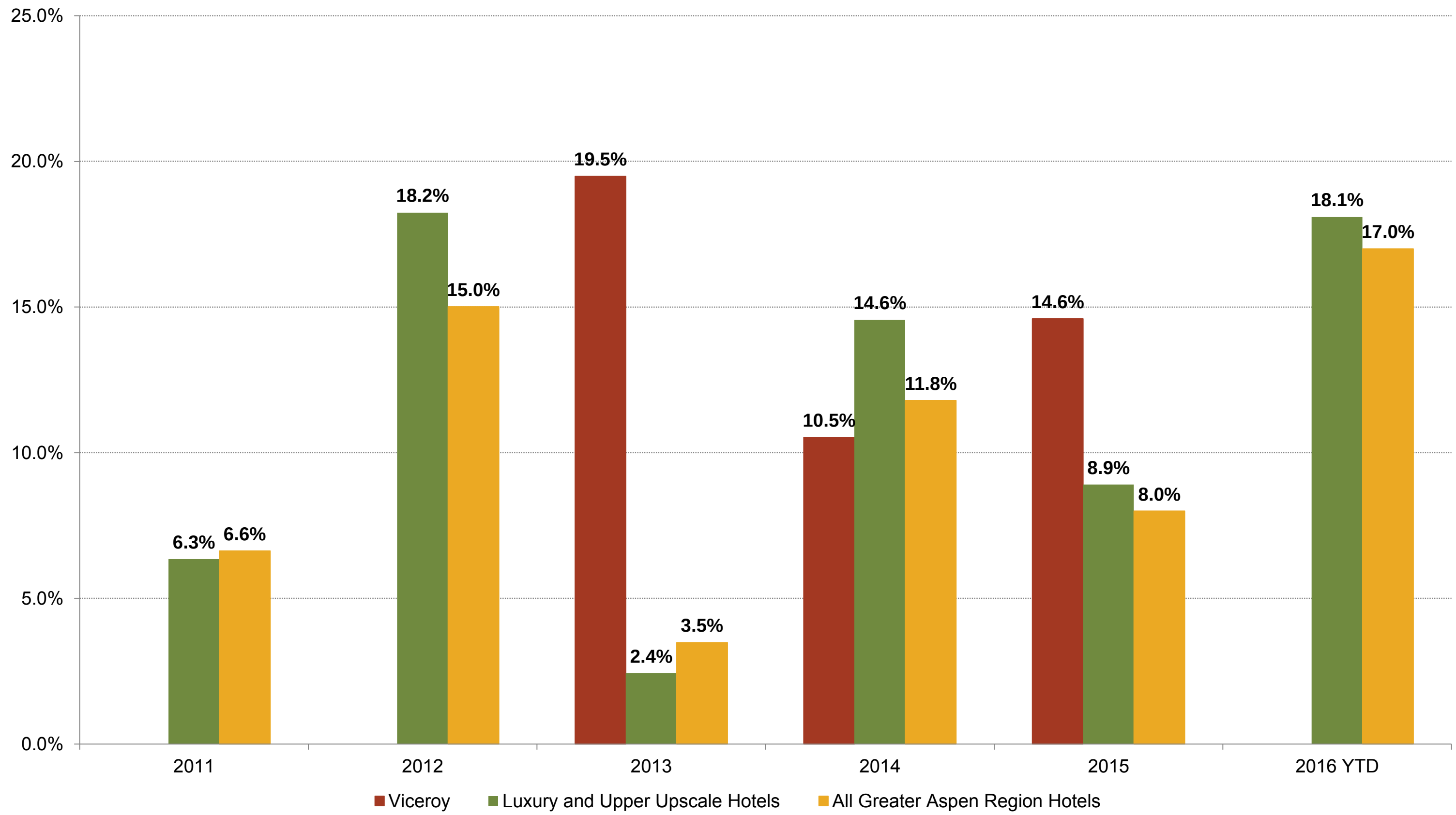
BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit V-6F

REVENUE PER AVAILABLE ROOM GROWTH
GREATER ASPEN REGION
SEPTEMBER 2016

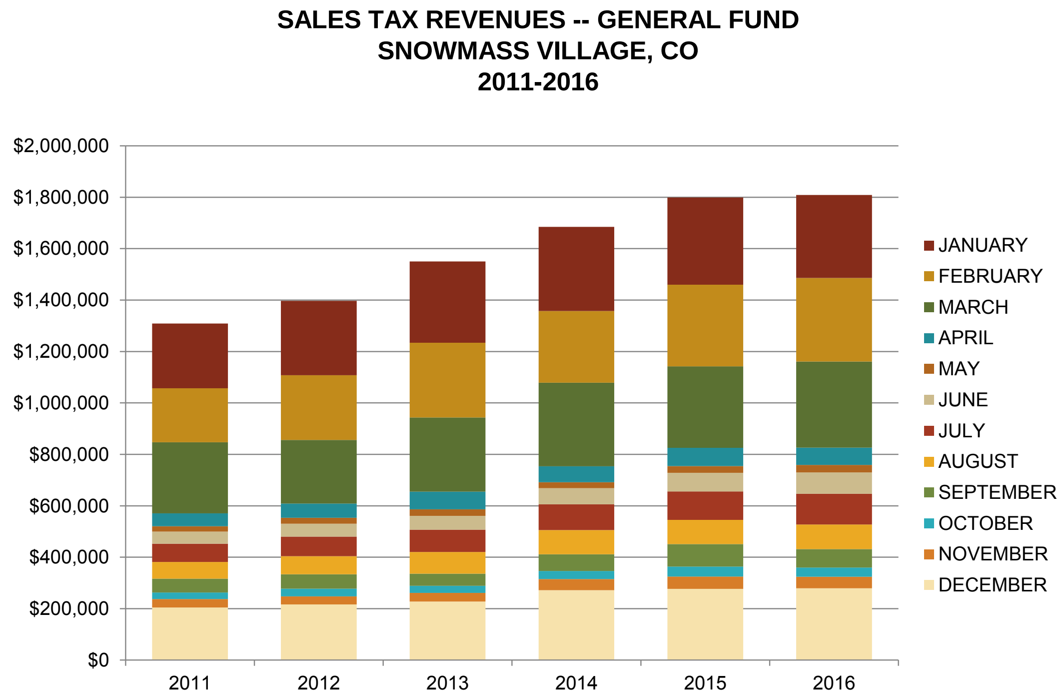


NOTE: 2016 YTD through August 2016.
SOURCE: East West Partners; Smith Travel Research; RCLCO

VI. RETAIL

BASE VILLAGE METROPOLITAN DISTRICT #2

Exhibit VI-1



	2011	2012	2013	2014	2015	2016
JANUARY	$252,089	$289,377	$316,371	$326,812	$339,463	$323,036
FEBRUARY	$210,193	$251,820	$290,534	$278,911	$317,166	$324,982
MARCH	$276,121	$247,880	$288,954	$325,230	$316,931	$334,377
APRIL	$50,055	$54,961	$68,287	$61,597	$71,204	$67,284
MAY	$21,089	$23,116	$25,283	$23,776	$25,961	$29,007
JUNE	$47,008	$50,058	$54,310	$62,255	$72,858	$83,346
JULY	$71,423	$76,103	$86,488	$100,696	$110,217	$119,561
AUGUST	$64,579	$70,379	$84,657	$93,858	$94,509	*$95,334*
SEPTEMBER	$54,382	$56,282	$47,045	$65,070	$86,894	*$72,362*
OCTOBER	$24,912	$29,531	$27,318	$31,305	$39,503	*$35,651*
NOVEMBER	$33,314	$31,849	$33,747	$43,644	$47,758	*$44,471*
DECEMBER	$204,076	$215,978	$227,447	$271,321	$276,549	*$279,324*
TOTAL	**$1,309,240**	**$1,397,333**	**$1,550,440**	**$1,684,475**	**$1,799,013**	**$1,808,734**

NOTE: 2016 Data for August through December is projected based on historical performance.
SOURCE: Town of Snowmass Village July 2016 Sales Tax Report

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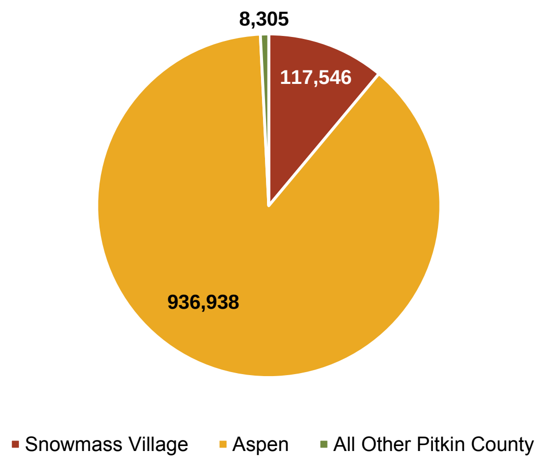
Exhibit VI-2

SUMMARY CHARACTERISTICS
RETAIL MARKET
SNOWMASS VILLAGE, ASPEN, AND PITKIN COUNTY
2016 YTD

	WEIGHT	SNOWMASS VILLAGE TOTAL	ASPEN TOTAL	PITKIN COUNTY TOTAL
Market Fundamentals				
Occupancy		100.00%	96.40%	96.80%
Rental Rate		-	$78.35	$76.79
Vacant SF		0	29,051	29,051
Occupied SF		117,546	907,887	1,033,738
Total SF		117,546	936,938	1,062,789



NOTE: According to CoStar, there is approximately 231,000 square feet of retail, office, "speciality," and sports and entertainment space in Snowmass Village.
NOTE: YTD is through September 2016.
SOURCE: CoStar; RCLCO

RCLCO REAL ESTATE ADVISORS

Exhibit VI-3

EVALUATION OF SUPPORTED RETAIL SPACE
SNOWMASS BASE CENTER, SNOWMASS VILLAGE, AND COMPARABLE MOUNTAIN SKI RESORT MARKETS
2016

	SNOWMASS VILLAGE	ASPEN	PITKIN COUNTY	VAIL	PARK CITY
RELATIONSHIP BETWEEN RETAIL AND PRIMARY/VACATION HOUSING UNITS					
Occupied Retail Square Feet	117,546	907,887	1,033,738	367,441	3,239,265
Households	1,349	3,715	8,495	2,717	3,108
Vacation Homes	903	2,025	3,967	4,011	6,043
Total Primary/Vacation Housing Units	2,252	5,740	12,462	6,728	9,151
RETAIL SF/HOUSING UNIT	**52**	**158**	**83**	**55**	**354**
SUPPORTED RETAIL IN SNOWMASS VILLAGE					
Total Primary/Vacation Housing Units in Snowmass Village	*2,252*	*2,252*	*2,252*	*2,252*	*2,252*
Retail SF/Housing Unit	52	158	83	55	354
Supported Retail Space	117,546	356,168	186,780	122,978	797,102
Existing Occupied Retail Space	*117,546*	*117,546*	*117,546*	*117,546*	*117,546*
Over/(Under) Supply	**0**	**-238,622**	**-69,234**	**-5,432**	**-679,556**
SUPPORTED RETAIL FROM NEW UNITS AT SNOWMASS BASE VILLAGE					
Remaining/Future Units	355	355	355	355	355
Retail SF/Housing Unit	52	158	83	55	354
Support from Future Development	**18,532**	**56,152**	**29,447**	**19,388**	**125,669**

[1] 2016 second home data is estimated from 2010 census data using the relationship between 2010 and 2016 household data.
NOTE: YTD is through September 2016.
SOURCE: CoStar; ESRI Business Analyst; RCLCO

Exhibit VI-4

COMMERCIAL LEASE DATA
SNOWMASS BASE VILLAGE
SNOWMASS VILLAGE, CO
SEPTEMBER 2016

LEASE START DATE	LEASE EXPIRATION DATE	BUILDING I.D./ SUITE	UNIT	NAME OF TENANT	USE	TYPE OF LEASE	SF	BASE RENT ANNUAL	BASE RENT $/SF
10/1/2014	9/30/2019	2B-2&3	3110-3111	Coldwell Banker - Mason Morse - AKA Ajax Holding M and M LLC	Office Space	NNN	1,003	$41,483	$41.36
11/1/2012	4/15/2017	2A-2	3102	Aspen Snowmass Sotheby's Int'l Realty	Office Space	Gross	813	$24,705	$30.39
12/10/2008	12/10/2018	2B-4&5	3212-3213	Aspen Sports- SSI	Retail Services	NNN	1,451	$48,878	$33.69
11/28/2013	11/30/2015	2A-8	3108	Ski Co - Ski Lockers	Retail Services	NNN	656	$10,555	$16.09
12/19/2008	4/30/2016	2C-1 A&B	3120-A	Snowmass Hospitality	Office Space	Gross	3,379	$58,760	$17.39
11/27/2008	4/30/2015	2A-3&4	3103-3104	Generation Snowmass	Retail Services	N/A	1,401	$13,997	$9.99
5/1/2010	4/30/2017	3A-1&2	1100-1200	Base Camp	Restaurants	Gross & % Rent	6,270	$67,721	$10.80
9/15/2013	9/30/2018	3D-1&2, 3D-3A (Down)	1110-1112, 1114	Ski Co - Beginner's Magic	Retail Services	NNN	2,237	$126,368	$56.49
11/28/2013	9/30/2018	3D-4 A Basement	1002-A&B	Ski Co Storage	Retail Services	NNN	2,108	$28,473	$13.51

SOURCE: East West Partners; RCLCO

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Bethesda, MD 20814
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www.rclco.com

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APPENDIX D

CASH FLOW FORECAST

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES
AND
CASH RECEIPTS AND DISBURSEMENTS

DECEMBER 16, 2016

TABLE OF CONTENTS

Accountant's Report

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

We have compiled the accompanying forecasted surplus cash balances and cash receipts and disbursements of Base Village Metropolitan District No. 2 (the "District") for the General Fund and Debt Service Fund for the calendar years ending 2016 through 2048 (the "forecast") in accordance with attestation standards established by the American Institute of Certified Public Accountants (the "AICPA").

A compilation is limited to presenting, in the form of a forecast, information that is the representation of the District's Board of Directors and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying schedules or assumptions. However, we did become aware of a departure from the guidelines for presentation of a forecast established by the AICPA, which is described below. Furthermore, because events and circumstances frequently do not occur as expected, there will usually be differences between the forecasted and actual results, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying presentations of projected surplus cash balances and cash receipts and disbursements for the calendar years ending 2016 through 2048, under the hypothetical assumptions in Note 12, assuming only limited development occurs and the biennial reassessment rate is 2%, are not a part of the forecast and are presented for additional analysis only, and should not be used for any other purpose. Such projections have not been subjected to the procedures applied in the compilation of the forecast, and we express no assurance of any kind on them. Furthermore, even if only limited development occurs and the biennial reassessment rate is 2%, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

As discussed in Note 3, the forecast and the projections are presented on the cash basis of accounting, whereas the historical financial statements for the forecast period and the projection period are expected to be presented in conformity with generally accepted accounting principles on the accrual basis for government wide statements and the modified accrual basis for individual fund financial statements for all funds of the District by fund type.

Guidelines for presentation of a forecast established by the AICPA require disclosure of the differences resulting from the use of a different basis of accounting in the forecast and the projections than that expected to be used in the historical financial statements for the period. Accordingly, if the AICPA presentation guidelines were followed, the titles in the forecast and the projections would indicate that the presentation reflects the following: surplus cash balances and the cash received and disbursed rather than net assets or fund balances and the revenue and expenses or expenditures that would be recognized under generally accepted accounting principles based on the accrual basis and the modified accrual basis of accounting.

We are not independent with respect to Base Village Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 16, 2016

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - GENERAL FUND

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

				Cash Receipts			Cash Disbursements		Cash Balances		
Collection Year	Total Assessed Value (See Page 18)	Mill Levy General Fund	Mill Levy Total	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	Total Available for O&M	Transfers to District No. 1 (See Page 6)	Total Cash Disbursements	Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	Collection Year
2016	36,994,950	6.00	43.50	209,761	6,293	216,054	216,054	216,054	-	-	2016
2017	36,709,840	6.00	43.50	208,145	6,244	214,389	214,389	214,389	-	-	2017
2018	31,425,305	6.00	43.50	178,181	5,345	183,526	183,526	183,526	-	-	2018
2019	33,580,393	2.94	40.44	93,298	2,799	96,097	96,097	96,097	-	-	2019
2020	39,988,562	-	37.50	-	-	-	-	-	-	-	2020
2021	46,073,984	-	37.50	-	-	-	-	-	-	-	2021
2022	58,408,017	-	37.50	-	-	-	-	-	-	-	2022
2023	66,688,516	-	37.50	-	-	-	-	-	-	-	2023
2024	78,296,535	-	37.50	-	-	-	-	-	-	-	2024
2025	78,895,237	-	37.50	-	-	-	-	-	-	-	2025
2026	87,788,667	-	37.50	-	-	-	-	-	-	-	2026
2027	87,788,667	-	37.50	-	-	-	-	-	-	-	2027
2028	93,726,841	-	37.50	-	-	-	-	-	-	-	2028
2029	93,726,841	-	37.50	-	-	-	-	-	-	-	2029
2030	99,434,806	-	37.50	-	-	-	-	-	-	-	2030
2031	99,434,806	-	37.50	-	-	-	-	-	-	-	2031
2032	105,490,386	-	37.50	-	-	-	-	-	-	-	2032
2033	105,490,386	-	37.50	-	-	-	-	-	-	-	2033
2034	111,914,750	-	37.50	-	-	-	-	-	-	-	2034
2035	111,914,750	-	37.50	-	-	-	-	-	-	-	2035
2036	118,730,358	-	37.50	-	-	-	-	-	-	-	2036
2037	118,730,358	-	37.50	-	-	-	-	-	-	-	2037
2038	125,961,037	-	37.50	-	-	-	-	-	-	-	2038
2039	125,961,037	-	37.50	-	-	-	-	-	-	-	2039
2040	133,632,064	-	37.50	-	-	-	-	-	-	-	2040
2041	133,632,064	-	37.50	-	-	-	-	-	-	-	2041
2042	141,770,257	-	37.50	-	-	-	-	-	-	-	2042
2043	141,770,257	-	37.50	-	-	-	-	-	-	-	2043
2044	150,404,066	-	37.50	-	-	-	-	-	-	-	2044
2045	150,404,066	-	37.50	-	-	-	-	-	-	-	2045
2046	159,563,673	-	37.50	-	-	-	-	-	-	-	2046
2047	159,563,673	-	37.50	-	-	-	-	-	-	-	2047
2048	169,281,101	-	8.55	-	-	-	-	-	-	-	2048
				689,385	20,681	710,066	710,066	710,066	-		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

			Cash Receipts						
Collection Year	Total Assessed Value (See Page 18)	Mill Levy	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	Facility Fee Revenue (See Page 23)	2016A Bonds Proceeds Deposited to Surplus Fund (See Page 26)	Shortfall Payment from District No. 1 (See Page 6)	**Total Cash Receipts**	Cash Available for Debt Service (To Page 5)
2016	36,994,950	37.50	1,311,009	39,330	30,900	2,000,000		3,381,239	3,381,239
2017	36,709,840	37.50	1,300,905	39,027	154,500			1,494,432	1,503,712
2018	31,425,305	37.50	1,113,634	33,409	252,350			1,399,393	1,399,393
2019	33,580,393	37.50	1,190,005	35,700	231,750			1,457,455	1,457,455
2020	39,988,562	37.50	1,417,095	42,513	345,050			1,804,658	1,804,658
2021	46,073,984	37.50	1,632,747	48,982	242,050		123,225	2,047,004	2,047,004
2022	58,408,017	37.50	2,069,834	62,095	365,650		-	2,497,579	2,497,579
2023	66,688,516	37.50	2,363,274	70,898	-		-	2,434,172	2,434,172
2024	78,296,535	37.50	2,774,633	83,239	226,600		-	3,084,472	3,084,472
2025	78,895,237	37.50	2,795,850	83,876	-		-	2,879,726	2,879,726
2026	87,788,667	37.50	3,111,011	93,330	-		-	3,204,341	3,204,341
2027	87,788,667	37.50	3,111,011	93,330	-		-	3,204,341	3,204,341
2028	93,726,841	37.50	3,321,445	99,643	-		-	3,421,088	3,421,088
2029	93,726,841	37.50	3,321,445	99,643	-		-	3,421,088	3,421,088
2030	99,434,806	37.50	3,523,721	105,712	-		-	3,629,433	3,629,433
2031	99,434,806	37.50	3,523,721	105,712	-		-	3,629,433	3,629,433
2032	105,490,386	37.50	3,738,316	112,149	-		-	3,850,465	3,850,465
2033	105,490,386	37.50	3,738,316	112,149	-		-	3,850,465	3,850,465
2034	111,914,750	37.50	3,965,979	118,979	-		-	4,084,958	4,084,958
2035	111,914,750	37.50	3,965,979	118,979	-		-	4,084,958	4,084,958
2036	118,730,358	37.50	4,207,507	126,225	-		-	4,333,732	4,333,732
2037	118,730,358	37.50	4,207,507	126,225	-		-	4,333,732	4,333,732
2038	125,961,037	37.50	4,463,744	133,912	-		-	4,597,656	4,597,656
2039	125,961,037	37.50	4,463,744	133,912	-		-	4,597,656	4,597,656
2040	133,632,064	37.50	4,735,586	142,068	-		-	4,877,654	4,877,654
2041	133,632,064	37.50	4,735,586	142,068	-		-	4,877,654	4,877,654
2042	141,770,257	37.50	5,023,983	150,719	-		-	5,174,702	5,174,702
2043	141,770,257	37.50	5,023,983	150,719	-		-	5,174,702	5,174,702
2044	150,404,066	37.50	5,329,944	159,898	-		-	5,489,842	5,489,842
2045	150,404,066	37.50	5,329,944	159,898	-		-	5,489,842	5,489,916
2046	159,563,673	37.50	5,654,538	169,636	-		-	5,824,174	5,824,601
2047	159,563,673	37.50	5,654,538	169,636	-		-	5,824,174	5,824,902
2048	169,281,101	8.55	1,367,897	41,037	-		-	1,408,934	1,409,236
			113,488,431	3,404,648	1,848,850	2,000,000	123,225	120,865,154	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

						Surplus Fund							Cash Balances		
Collection Year	Cash Available for Debt Service (See Page 4)	Debt Service Payments on 2013 Debt	Deposit to Refunding Escrow for 2013A Loan (See Page 26)	Net Debt Service on 2016A Bonds Par Value of $31,260,000 (See Page 26)	Cumulative Cash Available for Surplus Fund	Transfer to (Release From)	Surplus Release	Cumulative Surplus Fund Balance $2,000,000	Sr. Debt to District #1 & District #2 Assessed Ratio	Cumulative Cash Available for 2016B Bonds	Net Debt Service on 2016B Bonds Par Value of $13,330,000 (See Page 27)	**Total Cash Disbursements and Net Transfers**	Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	Collection Year
2016	3,381,239	1,216,940	155,019		2,009,280	2,000,000	-	2,000,000	80%	9,280	-	3,371,959	9,280	9,280	2016
2017	1,503,712			1,663,623	(159,911)	(159,911)	-	1,840,089	84%	-	-	1,503,712	(9,280)	-	2017
2018	1,399,393			1,766,679	(367,286)	(367,286)	-	1,472,803	72%	-	-	1,399,393	-	-	2018
2019	1,457,455			1,766,679	(309,224)	(309,224)	-	1,163,579	53%	-	-	1,457,455	-	-	2019
2020	1,804,658			1,851,679	(47,021)	(47,021)	(116,558)	1,000,000	48%	116,558	116,558	1,804,658	-	-	2020
2021	2,047,004			2,047,004	-	-	-	1,000,000	39%	-	-	2,047,004	-	-	2021
2022	2,497,579			2,131,329	366,250	-	-	1,000,000	35%	366,250	366,250	2,497,579	-	-	2022
2023	2,434,172			2,135,154	299,018	-	-	1,000,000	30%	299,018	299,018	2,434,172	-	-	2023
2024	3,084,472			2,177,604	906,868	-	-	1,000,000	29%	906,868	906,868	3,084,472	-	-	2024
2025	2,879,726			2,176,479	703,247	-	-	1,000,000	26%	703,247	703,247	2,879,726	-	-	2025
2026	3,204,341			2,218,979	985,362	-	-	1,000,000	26%	985,362	985,362	3,204,341	-	-	2026
2027	3,204,341			2,217,629	986,712	-	-	1,000,000	23%	986,712	986,712	3,204,341	-	-	2027
2028	3,421,088			2,264,629	1,156,459	-	-	1,000,000	23%	1,156,459	1,156,459	3,421,088	-	-	2028
2029	3,421,088			2,262,229	1,158,859	-	-	1,000,000	21%	1,158,859	1,158,859	3,421,088	-	-	2029
2030	3,629,433			2,307,904	1,321,529	-	-	1,000,000	20%	1,321,529	1,321,529	3,629,433	-	-	2030
2031	3,629,433			2,308,904	1,320,529	-	-	1,000,000	19%	1,320,529	1,320,529	3,629,433	-	-	2031
2032	3,850,465			2,357,429	1,493,036	-	-	1,000,000	18%	1,493,036	1,493,036	3,850,465	-	-	2032
2033	3,850,465			2,355,729	1,494,736	-	-	1,000,000	16%	1,494,736	1,494,736	3,850,465	-	-	2033
2034	4,084,958			2,401,279	1,683,679	-	-	1,000,000	15%	1,683,679	1,683,679	4,084,958	-	-	2034
2035	4,084,958			2,401,329	1,683,629	-	-	1,000,000	14%	1,683,629	1,683,629	4,084,958	-	-	2035
2036	4,333,732			2,453,079	1,880,653	-	-	1,000,000	13%	1,880,653	1,880,653	4,333,732	-	-	2036
2037	4,333,732			2,448,504	1,885,228	-	-	1,000,000	11%	1,885,228	1,885,228	4,333,732	-	-	2037
2038	4,597,656			2,497,029	2,100,627	-	-	1,000,000	10%	2,100,627	2,100,627	4,597,656	-	-	2038
2039	4,597,656			2,498,367	2,099,289	-	-	1,000,000	9%	2,099,289	2,099,289	4,597,656	-	-	2039
2040	4,877,654			2,549,817	2,327,837	-	-	1,000,000	8%	2,327,837	2,327,837	4,877,654	-	-	2040
2041	4,877,654			2,548,217	2,329,437	-	-	1,000,000	6%	2,329,437	2,329,437	4,877,654	-	-	2041
2042	5,174,702			2,601,154	2,573,548	-	-	1,000,000	5%	2,573,548	2,573,548	5,174,702	-	-	2042
2043	5,174,702			2,600,179	2,574,523	-	-	1,000,000	4%	2,574,523	2,574,523	5,174,702	-	-	2043
2044	5,489,842			2,652,879	2,836,963	-	-	1,000,000	3%	2,836,963	2,836,888	5,489,768	74	74	2044
2045	5,489,916			2,650,804	2,839,112	-	-	1,000,000	2%	2,839,112	2,838,685	5,489,489	353	427	2045
2046	5,824,601			2,707,374	3,117,228	-	(1,000,000)	-	0%	4,117,228	4,116,500	5,823,874	300	728	2046
2047	5,824,902				5,824,902	-	-	-		5,824,902	5,824,600	5,824,600	(426)	302	2047
2048	1,409,236				1,409,236	-	-	-		1,409,236	1,328,055	1,328,055	80,879	81,181	2048
		1,216,940	155,019	69,019,676		1,116,558	(1,116,558)				50,392,339	120,783,974	81,181		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

BASE VILLAGE METROPOLITAN DISTRICT NO. 1 - GENERAL FUND

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2051

		Mill Levy				Cash Receipts: Operations & Debt Service		Cash Receipts: Annual Developer Advances				Cash Disbursements				Cash Balances		
Collection Year	Total Assessed Value (See Page 22)	Operations	District No. 2 Debt Service	Repay Developer Advances (To Page 25)	Total	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	Beginning in 2017 (See Page 24)	Prior to 2017 (See Page 25)	Transfers from District No. 2 (See Page 3)	Total Available for O&M	Operating Costs 1.0%	Shortfall Payment to District No. 2 (See Page 4)	Repay Advances Beginning in 2017 (See Page 24)	Total Cash Disbursements	Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	Collection Year
2016	2,634,480	43.500		-	43.500	108,297	3,249		176,000	216,054	503,600	477,000	-		477,000	26,600	26,600	2016
2017	2,580,880	43.500		-	43.500	106,094	3,183	176,335		214,389	500,000	500,000	-		500,000	-	26,600	2017
2018	5,661,418	43.500		-	43.500	232,727	6,982	81,765		183,526	505,000	505,000	-		505,000	-	26,600	2018
2019	9,776,721	43.500		-	43.500	401,897	12,057			96,097	510,050	510,050	-		510,050	-	26,600	2019
2020	18,607,632	43.500		-	43.500	764,913	22,947			-	787,861	515,151	-	272,710	787,861	-	26,600	2020
2021	19,434,617	29.217	6.514	7.769	43.500	656,222	19,687			-	675,908	520,302	123,225	32,381	675,908	-	26,600	2021
2022	20,618,185	26.185		17.315	43.500	510,199	15,306			-	525,505	525,505	-		525,505	-	26,600	2022
2023	20,928,485	26.055		17.445	43.500	515,301	15,459			-	530,760	530,760	-		530,760	-	26,600	2023
2024	22,468,663	24.512		18.988	43.500	520,454	15,614			-	536,068	536,068	-		536,068	-	26,600	2024
2025	22,468,663	24.757		18.743	43.500	525,659	15,770			-	541,428	541,428	-		541,428	-	26,600	2025
2026	23,837,004	23.569		19.931	43.500	530,915	15,927			-	546,843	546,843	-		546,843	-	26,600	2026
2027	23,837,004	23.805		19.695	43.500	536,224	16,087			-	552,311	552,311	-		552,311	-	26,600	2027
2028	25,288,678	22.663		20.837	43.500	541,587	16,248			-	557,834	557,834	-		557,834	-	26,600	2028
2029	25,288,678	22.889		20.611	43.500	547,002	16,410			-	563,413	563,413	-		563,413	-	26,600	2029
2030	26,828,758	21.791		21.709	43.500	552,472	16,574			-	569,047	569,047	-		569,047	-	26,600	2030
2031	26,828,758	22.009		21.491	43.500	557,997	16,740			-	574,737	574,737	-		574,737	-	26,600	2031
2032	28,462,630	20.953		22.547	43.500	563,577	16,907			-	580,484	580,484	-		580,484	-	26,600	2032
2033	28,462,630	21.163		22.337	43.500	569,213	17,076			-	586,289	586,289	-		586,289	-	26,600	2033
2034	30,196,004	20.147		23.353	43.500	574,905	17,247			-	592,152	592,152	-		592,152	-	26,600	2034
2035	30,196,004	20.349		23.151	43.500	580,654	17,420			-	598,074	598,074	-		598,074	-	26,600	2035
2036	32,034,940	19.372		24.128	43.500	586,461	17,594			-	604,054	604,054	-		604,054	-	26,600	2036
2037	32,034,940	19.566		23.934	43.500	592,325	17,770			-	610,095	610,095	-		610,095	-	26,600	2037
2038	33,985,868	18.627		24.873	43.500	598,249	17,947			-	616,196	616,196	-		616,196	-	26,600	2038
2039	33,985,868	18.814		24.686	43.500	604,231	18,127			-	622,358	622,358	-		622,358	-	26,600	2039
2040	36,055,608	17.911		25.589	43.500	610,273	18,308			-	628,582	628,582	-		628,582	-	26,600	2040
2041	36,055,608	18.090		25.410	43.500	616,376	18,491			-	634,867	634,867	-		634,867	-	26,600	2041
2042	38,251,394	17.222		26.278	43.500	622,540	18,676			-	641,216	641,216	-		641,216	-	26,600	2042
2043	38,251,394	17.394		26.106	43.500	628,765	18,863			-	647,628	647,628	-		647,628	-	26,600	2043
2044	40,580,904	16.560		26.940	43.500	635,053	19,052			-	654,104	654,104	-		654,104	-	26,600	2044
2045	40,580,904	16.725		26.775	43.500	641,403	19,242			-	660,645	660,645	-		660,645	-	26,600	2045
2046	43,052,281	15.923		27.577	43.500	647,817	19,435			-	667,252	667,252	-		667,252	-	26,600	2046
2047	43,052,281	16.082		27.418	43.500	654,296	19,629			-	673,924	673,924	-		673,924	-	26,600	2047
2048	45,674,165	15.311		28.189	43.500	660,839	19,825				680,664	680,664	-		680,664	-	26,600	2048
2049	45,674,165	15.464		28.036	43.500	667,447	20,023				687,470	687,470			687,470	-	26,600	2049
2050	48,455,722	14.722		28.778	43.500	674,121	20,224				694,345	694,345			694,345	-	26,600	2050
2051	48,455,722	14.869		20.957	35.826	680,863	20,426				701,288	701,288			701,288	-	26,600	2051
						20,017,367	600,521	258,100	176,000	710,066	21,762,054	21,307,138	123,225	305,091	21,735,454	26,600		

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF EXISTING ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential		Commercial		Total	
	Building	Market Value	Assessed Value 7.96%	Market Value	Assessed Value 29.00%	Market Value	Assessed Value
Existing Buildings	13A (Lot 9)	95,163,200	7,574,991	4,723,100	1,369,699	99,886,300	8,944,690
	2C (lot 1)	14,565,500	1,159,414	15,500	4,495	14,581,000	1,163,909
	2B (lot 1)	15,137,600	1,204,953	7,700	2,233	15,145,300	1,207,186
	2A (lot1)	24,300,600	1,934,328	21,500	6,235	24,322,100	1,940,563
	1 (lot 1)	17,889,900	1,424,036	8,132,000	2,358,280	26,021,900	3,782,316
	3ABC/DE			329,100	95,439	329,100	95,439
	3ABC/DE			842,800	244,412	842,800	244,412
	State assessed			328,790	95,349	328,790	95,349
	State assessed personal property			36,700	10,643	36,700	10,643
	Amerigas personal property			200	58	200	58
	Rounding	(100)	8		206	(100)	214
		167,056,700	13,297,729	14,437,390	4,187,049	181,494,090	17,484,778
Parcels to be moved to District No. 1 for collection year 2018	13A units C1-C8 Viceroy Hotel	-	-	10,080,600	2,923,374	10,080,600	2,923,374
Parcels to be removed from PUD for collection year 2018	9AB			288,300	83,607	288,300	83,607
	9C			201,700	58,493	201,700	58,493
	Phase 1 common area			50,300	14,587	50,300	14,587
		-	-	540,300	156,687	540,300	156,687
Parking garage to be removed for 2018 collection year and included in future values as developed	4AB/5	18,135,785	1,443,608	2,988,985	866,806	21,124,770	2,310,414
	7/8	27,169,830	2,162,718	11,033,190	3,199,625	38,203,020	5,362,344
		45,305,615	3,606,327	14,022,175	4,066,431	59,327,790	7,672,758
Foundations to be removed for 2018 collection year and included in future values as developed	4AB/5	954,515	75,979	157,315	45,621	1,111,830	121,601
	7/8	3,018,870	240,302	1,225,910	355,514	4,244,780	595,816
	10A			5,461,450	1,583,821	5,461,450	1,583,821
	10B			5,461,450	1,583,821	5,461,450	1,583,821
	11/12			8,112,300	2,352,567	8,112,300	2,352,567
	13B	6,773,400	539,163			6,773,400	539,163
	Fanny Hill townhomes			5,846,400	1,695,456	5,846,400	1,695,456
		10,746,785	855,444	26,264,825	7,616,799	37,011,610	8,472,243
Total existing actual value		223,109,100	17,759,500	65,345,290	18,950,340	288,454,390	36,709,840

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential Development														
		Building 4AB/5														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $1,830,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $251,500	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														954,515	954,515
2016	2018		18,770,000	-		1,830,000			-		251,500			-	954,515	954,515
2017	2019	50%	18,770,000	9,385,000		1,866,600			-		256,530			-	477,258	9,862,258
2018	2020	100%	-	-	18	1,903,932	90%	30,843,698	30,843,698	2	261,661	90%	470,989	470,989	-	31,314,687
2019	2021	100%	-	-				-	30,843,698				-	470,989	-	31,314,687
2020	2022	100%	-	-			10%	3,427,078	34,270,776			10%	52,332	523,321	-	34,794,097
2021	2023	100%	-	-					34,270,776					523,321	-	34,794,097
2022	2024	100%	-	-					34,270,776					523,321	-	34,794,097
2023	2025	100%	-	-					34,270,776					523,321	-	34,794,097
2024	2026	100%	-	-					34,270,776					523,321	-	34,794,097
2025	2027	100%	-	-					34,270,776					523,321	-	34,794,097
2026	2028	100%	-	-					34,270,776					523,321	-	34,794,097
2027	2029	100%	-	-					34,270,776					523,321	-	34,794,097
2028	2030	100%	-	-					34,270,776					523,321	-	34,794,097
2029	2031	100%	-	-					34,270,776					523,321	-	34,794,097
2030	2032	100%	-	-					34,270,776					523,321	-	34,794,097
2031	2033	100%	-	-					34,270,776					523,321	-	34,794,097
2032	2034	100%	-	-					34,270,776					523,321	-	34,794,097
2033	2035	100%	-	-					34,270,776					523,321	-	34,794,097
2034	2036	100%	-	-					34,270,776					523,321	-	34,794,097
2035	2037	100%	-	-					34,270,776					523,321	-	34,794,097
2036	2038	100%	-	-					34,270,776					523,321	-	34,794,097
2037	2039	100%	-	-					34,270,776					523,321	-	34,794,097
2038	2040	100%	-	-					34,270,776					523,321	-	34,794,097
2039	2041	100%	-	-					34,270,776					523,321	-	34,794,097
2040	2042	100%	-	-					34,270,776					523,321	-	34,794,097
2041	2043	100%	-	-					34,270,776					523,321	-	34,794,097
2042	2044	100%	-	-					34,270,776					523,321	-	34,794,097
2043	2045	100%	-	-					34,270,776					523,321	-	34,794,097
2044	2046	100%	-	-					34,270,776					523,321	-	34,794,097
2045	2047	100%	-	-					34,270,776					523,321	-	34,794,097
2046	2048	100%	-	-					34,270,776					523,321	-	34,794,097

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential Development														
		Building 7/8														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $2,880,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $194,100	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														3,018,870	3,018,870
2016	2018		54,800,000	-		2,880,000			-		194,100			-	3,018,870	3,018,870
2017	2019	39%	54,800,000	21,372,000		2,937,600			-		197,982			-	1,841,511	23,213,511
2018	2020	91%	54,800,000	49,868,000		2,996,352			-		201,942			-	271,698	50,139,698
2019	2021	100%	-	-	41	3,056,279	90%	112,776,697	112,776,697	4	205,980	90%	741,530	741,530	-	113,518,226
2020	2022	100%	-	-			10%	12,530,744	125,307,441			10%	82,392	823,922	-	126,131,363
2021	2023	100%	-	-					125,307,441					823,922	-	126,131,363
2022	2024	100%	-	-					125,307,441					823,922	-	126,131,363
2023	2025	100%	-	-					125,307,441					823,922	-	126,131,363
2024	2026	100%	-	-					125,307,441					823,922	-	126,131,363
2025	2027	100%	-	-					125,307,441					823,922	-	126,131,363
2026	2028	100%	-	-					125,307,441					823,922	-	126,131,363
2027	2029	100%	-	-					125,307,441					823,922	-	126,131,363
2028	2030	100%	-	-					125,307,441					823,922	-	126,131,363
2029	2031	100%	-	-					125,307,441					823,922	-	126,131,363
2030	2032	100%	-	-					125,307,441					823,922	-	126,131,363
2031	2033	100%	-	-					125,307,441					823,922	-	126,131,363
2032	2034	100%	-	-					125,307,441					823,922	-	126,131,363
2033	2035	100%	-	-					125,307,441					823,922	-	126,131,363
2034	2036	100%	-	-					125,307,441					823,922	-	126,131,363
2035	2037	100%	-	-					125,307,441					823,922	-	126,131,363
2036	2038	100%	-	-					125,307,441					823,922	-	126,131,363
2037	2039	100%	-	-					125,307,441					823,922	-	126,131,363
2038	2040	100%	-	-					125,307,441					823,922	-	126,131,363
2039	2041	100%	-	-					125,307,441					823,922	-	126,131,363
2040	2042	100%	-	-					125,307,441					823,922	-	126,131,363
2041	2043	100%	-	-					125,307,441					823,922	-	126,131,363
2042	2044	100%	-	-					125,307,441					823,922	-	126,131,363
2043	2045	100%	-	-					125,307,441					823,922	-	126,131,363
2044	2046	100%	-	-					125,307,441					823,922	-	126,131,363
2045	2047	100%	-	-					125,307,441					823,922	-	126,131,363
2046	2048	100%	-	-					125,307,441					823,922	-	126,131,363

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

Residential Development

Building 10A

			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $1,540,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $219,200	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														-	-
2016	2018		58,300,000	-		1,540,000			-		219,200			-	-	-
2017	2019		58,300,000	-		1,570,800			-		223,584			-	-	-
2018	2020		58,300,000	-		1,602,216			-		228,056			-	-	-
2019	2021		58,300,000	-		1,634,260			-		232,617		-	-	-	-
2020	2022		58,300,000	-		1,666,946			-		237,269		-	-	-	-
2021	2023	50%	58,300,000	29,150,000		1,700,284			-		242,015			-	-	29,150,000
2022	2024	100%	-	-	68	1,734,290	90%	106,138,556	106,138,556	3	246,855	90%	666,508	666,508	-	106,805,064
2023	2025	100%	-	-				-	106,138,556				-	666,508	-	106,805,064
2024	2026	100%	-	-			10%	11,793,173	117,931,729			10%	74,056	740,564	-	118,672,293
2025	2027	100%	-	-					117,931,729					740,564	-	118,672,293
2026	2028	100%	-	-					117,931,729					740,564	-	118,672,293
2027	2029	100%	-	-					117,931,729					740,564	-	118,672,293
2028	2030	100%	-	-					117,931,729					740,564	-	118,672,293
2029	2031	100%	-	-					117,931,729					740,564	-	118,672,293
2030	2032	100%	-	-					117,931,729					740,564	-	118,672,293
2031	2033	100%	-	-					117,931,729					740,564	-	118,672,293
2032	2034	100%	-	-					117,931,729					740,564	-	118,672,293
2033	2035	100%	-	-					117,931,729					740,564	-	118,672,293
2034	2036	100%	-	-					117,931,729					740,564	-	118,672,293
2035	2037	100%	-	-					117,931,729					740,564	-	118,672,293
2036	2038	100%	-	-					117,931,729					740,564	-	118,672,293
2037	2039	100%	-	-					117,931,729					740,564	-	118,672,293
2038	2040	100%	-	-					117,931,729					740,564	-	118,672,293
2039	2041	100%	-	-					117,931,729					740,564	-	118,672,293
2040	2042	100%	-	-					117,931,729					740,564	-	118,672,293
2041	2043	100%	-	-					117,931,729					740,564	-	118,672,293
2042	2044	100%	-	-					117,931,729					740,564	-	118,672,293
2043	2045	100%	-	-					117,931,729					740,564	-	118,672,293
2044	2046	100%	-	-					117,931,729					740,564	-	118,672,293
2045	2047	100%	-	-					117,931,729					740,564	-	118,672,293
2046	2048	100%	-	-					117,931,729					740,564	-	118,672,293

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential Development														
		Building 10B														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $1,500,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $229,500	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														-	-
2016	2018		34,940,000	-		1,500,000			-		229,500			-	-	-
2017	2019		34,940,000	-		1,530,000			-		234,090			-	-	-
2018	2020		34,940,000	-		1,560,600			-		238,772			-	-	-
2019	2021		34,940,000	-		1,591,812			-		243,547			-	-	-
2020	2022		34,940,000	-		1,623,648			-		248,418			-	-	-
2021	2023		34,940,000	-		1,656,121			-		253,387			-	-	-
2022	2024		34,940,000	-		1,689,244			-		258,454			-	-	-
2023	2025	50%	34,940,000	17,470,000		1,723,029			-		263,623			-	-	17,470,000
2024	2026	100%	-	-	42	1,757,489	90%	66,433,087	66,433,087	2	268,896	90%	484,012	484,012	-	66,917,099
2025	2027	100%	-	-				-	66,433,087				-	484,012	-	66,917,099
2026	2028	100%	-	-			10%	7,381,454	73,814,541			10%	53,779	537,792	-	74,352,333
2027	2029	100%	-	-					73,814,541					537,792	-	74,352,333
2028	2030	100%	-	-					73,814,541					537,792	-	74,352,333
2029	2031	100%	-	-					73,814,541					537,792	-	74,352,333
2030	2032	100%	-	-					73,814,541					537,792	-	74,352,333
2031	2033	100%	-	-					73,814,541					537,792	-	74,352,333
2032	2034	100%	-	-					73,814,541					537,792	-	74,352,333
2033	2035	100%	-	-					73,814,541					537,792	-	74,352,333
2034	2036	100%	-	-					73,814,541					537,792	-	74,352,333
2035	2037	100%	-	-					73,814,541					537,792	-	74,352,333
2036	2038	100%	-	-					73,814,541					537,792	-	74,352,333
2037	2039	100%	-	-					73,814,541					537,792	-	74,352,333
2038	2040	100%	-	-					73,814,541					537,792	-	74,352,333
2039	2041	100%	-	-					73,814,541					537,792	-	74,352,333
2040	2042	100%	-	-					73,814,541					537,792	-	74,352,333
2041	2043	100%	-	-					73,814,541					537,792	-	74,352,333
2042	2044	100%	-	-					73,814,541					537,792	-	74,352,333
2043	2045	100%	-	-					73,814,541					537,792	-	74,352,333
2044	2046	100%	-	-					73,814,541					537,792	-	74,352,333
2045	2047	100%	-	-					73,814,541					537,792	-	74,352,333
2046	2048	100%	-	-					73,814,541					537,792	-	74,352,333

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential Development — Building 11/12	Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $2,910,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $128,800	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														-	-
2016	2018		61,550,000	-		2,910,000			-		128,800			-	-	-
2017	2019		61,550,000	-		2,968,200			-		131,376			-	-	-
2018	2020		61,550,000	-		3,027,564			-		134,004			-	-	-
2019	2021		61,550,000	-		3,088,115			-		136,684			-	-	-
2020	2022	50%	61,550,000	30,775,000		3,149,878			-		139,417			-	-	30,775,000
2021	2023	100%	-	-	45	3,212,875	90%	130,121,443	130,121,443	2	142,206	90%	255,970	255,970	-	130,377,413
2022	2024	100%	-	-			10%	14,457,938	144,579,381			10%	28,441	284,411	-	144,863,792
2023	2025	100%	-	-					144,579,381					284,411	-	144,863,792
2024	2026	100%	-	-					144,579,381					284,411	-	144,863,792
2025	2027	100%	-	-					144,579,381					284,411	-	144,863,792
2026	2028	100%	-	-					144,579,381					284,411	-	144,863,792
2027	2029	100%	-	-					144,579,381					284,411	-	144,863,792
2028	2030	100%	-	-					144,579,381					284,411	-	144,863,792
2029	2031	100%	-	-					144,579,381					284,411	-	144,863,792
2030	2032	100%	-	-					144,579,381					284,411	-	144,863,792
2031	2033	100%	-	-					144,579,381					284,411	-	144,863,792
2032	2034	100%	-	-					144,579,381					284,411	-	144,863,792
2033	2035	100%	-	-					144,579,381					284,411	-	144,863,792
2034	2036	100%	-	-					144,579,381					284,411	-	144,863,792
2035	2037	100%	-	-					144,579,381					284,411	-	144,863,792
2036	2038	100%	-	-					144,579,381					284,411	-	144,863,792
2037	2039	100%	-	-					144,579,381					284,411	-	144,863,792
2038	2040	100%	-	-					144,579,381					284,411	-	144,863,792
2039	2041	100%	-	-					144,579,381					284,411	-	144,863,792
2040	2042	100%	-	-					144,579,381					284,411	-	144,863,792
2041	2043	100%	-	-					144,579,381					284,411	-	144,863,792
2042	2044	100%	-	-					144,579,381					284,411	-	144,863,792
2043	2045	100%	-	-					144,579,381					284,411	-	144,863,792
2044	2046	100%	-	-					144,579,381					284,411	-	144,863,792
2045	2047	100%	-	-					144,579,381					284,411	-	144,863,792
2046	2048	100%	-	-					144,579,381					284,411	-	144,863,792

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential Development														
		Building 13B														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $1,570,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $182,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														6,773,400	6,773,400
2016	2018	0%	37,960,000	-		1,570,000			-		182,000			-	6,773,400	6,773,400
2017	2019	0%	37,960,000	-		1,601,400			-		185,640			-	6,773,400	6,773,400
2018	2020	0%	37,960,000	-		1,633,428			-		189,353			-	6,773,400	6,773,400
2019	2021	50%	37,960,000	18,980,000		1,666,097			-		193,140			-	3,386,700	22,366,700
2020	2022	100%	-	-	49	1,699,418	90%	74,944,355	74,944,355	7	197,003	90%	1,241,117	1,241,117	-	76,185,472
2021	2023	100%	-	-				-	74,944,355				-	1,241,117	-	76,185,472
2022	2024	100%	-	-			10%	8,327,151	83,271,506			10%	137,902	1,379,019	-	84,650,525
2023	2025	100%	-	-					83,271,506					1,379,019	-	84,650,525
2024	2026	100%	-	-					83,271,506					1,379,019	-	84,650,525
2025	2027	100%	-	-					83,271,506					1,379,019	-	84,650,525
2026	2028	100%	-	-					83,271,506					1,379,019	-	84,650,525
2027	2029	100%	-	-					83,271,506					1,379,019	-	84,650,525
2028	2030	100%	-	-					83,271,506					1,379,019	-	84,650,525
2029	2031	100%	-	-					83,271,506					1,379,019	-	84,650,525
2030	2032	100%	-	-					83,271,506					1,379,019	-	84,650,525
2031	2033	100%	-	-					83,271,506					1,379,019	-	84,650,525
2032	2034	100%	-	-					83,271,506					1,379,019	-	84,650,525
2033	2035	100%	-	-					83,271,506					1,379,019	-	84,650,525
2034	2036	100%	-	-					83,271,506					1,379,019	-	84,650,525
2035	2037	100%	-	-					83,271,506					1,379,019	-	84,650,525
2036	2038	100%	-	-					83,271,506					1,379,019	-	84,650,525
2037	2039	100%	-	-					83,271,506					1,379,019	-	84,650,525
2038	2040	100%	-	-					83,271,506					1,379,019	-	84,650,525
2039	2041	100%	-	-					83,271,506					1,379,019	-	84,650,525
2040	2042	100%	-	-					83,271,506					1,379,019	-	84,650,525
2041	2043	100%	-	-					83,271,506					1,379,019	-	84,650,525
2042	2044	100%	-	-					83,271,506					1,379,019	-	84,650,525
2043	2045	100%	-	-					83,271,506					1,379,019	-	84,650,525
2044	2046	100%	-	-					83,271,506					1,379,019	-	84,650,525
2045	2047	100%	-	-					83,271,506					1,379,019	-	84,650,525
2046	2048	100%	-	-					83,271,506					1,379,019	-	84,650,525

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Residential Development														
		Fanny Hill Townhomes														
			Construction Costs Value		Townhomes					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $3,820,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $137,500	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														-	-
2016	2018		17,060,000	-		3,820,000			-		137,500			-	-	-
2017	2019		17,060,000	-		3,896,400			-		140,250			-	-	-
2018	2020		17,060,000	-		3,974,328			-		143,055			-	-	-
2019	2021	50%	17,060,000	8,530,000		4,053,815			-		145,916			-	-	8,530,000
2020	2022	100%	-	-	10	4,134,891	90%	37,214,018	37,214,018	1	148,834	90%	133,951	133,951	-	37,347,969
2021	2023	100%	-	-				-	37,214,018				-	133,951	-	37,347,969
2022	2024	100%	-	-			10%	4,134,891	41,348,909			10%	14,883	148,834	-	41,497,743
2023	2025	100%	-	-					41,348,909					148,834	-	41,497,743
2024	2026	100%	-	-					41,348,909					148,834	-	41,497,743
2025	2027	100%	-	-					41,348,909					148,834	-	41,497,743
2026	2028	100%	-	-					41,348,909					148,834	-	41,497,743
2027	2029	100%	-	-					41,348,909					148,834	-	41,497,743
2028	2030	100%	-	-					41,348,909					148,834	-	41,497,743
2029	2031	100%	-	-					41,348,909					148,834	-	41,497,743
2030	2032	100%	-	-					41,348,909					148,834	-	41,497,743
2031	2033	100%	-	-					41,348,909					148,834	-	41,497,743
2032	2034	100%	-	-					41,348,909					148,834	-	41,497,743
2033	2035	100%	-	-					41,348,909					148,834	-	41,497,743
2034	2036	100%	-	-					41,348,909					148,834	-	41,497,743
2035	2037	100%	-	-					41,348,909					148,834	-	41,497,743
2036	2038	100%	-	-					41,348,909					148,834	-	41,497,743
2037	2039	100%	-	-					41,348,909					148,834	-	41,497,743
2038	2040	100%	-	-					41,348,909					148,834	-	41,497,743
2039	2041	100%	-	-					41,348,909					148,834	-	41,497,743
2040	2042	100%	-	-					41,348,909					148,834	-	41,497,743
2041	2043	100%	-	-					41,348,909					148,834	-	41,497,743
2042	2044	100%	-	-					41,348,909					148,834	-	41,497,743
2043	2045	100%	-	-					41,348,909					148,834	-	41,497,743
2044	2046	100%	-	-					41,348,909					148,834	-	41,497,743
2045	2047	100%	-	-					41,348,909					148,834	-	41,497,743
2046	2048	100%	-	-					41,348,909					148,834	-	41,497,743

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

Construction Year	Collection Year	Total Number of New Residential Units	Total Cumulative Market Value	Other Cumulative Existing Market Value	Cumulative Parking Garage Market Value	Estimated Biennial Revaluation per State Statute		Total Residential Cumulative Market Value	Estimated Residential Assessment Ratio	**RESIDENTIAL ASSESSED VALUATION** (To Page 18)
						Rate	Amount			
2015	2017	-	10,746,785	167,056,700	45,305,615		-	**223,109,100**	7.96%	**17,759,500**
2016	2018	-	10,746,785	167,056,700	-	4.70%	10,486,128	188,289,613	7.96%	14,987,853
2017	2019	-	39,849,168	167,056,700	-		-	217,391,996	7.96%	17,304,403
2018	2020	20	88,227,786	167,056,700	-	10.25%	22,282,680	288,053,293	7.96%	22,929,042
2019	2021	45	175,729,614	167,056,700	-		-	375,555,121	7.96%	29,894,188
2020	2022	67	305,233,901	167,056,700	-	10.25%	38,494,400	543,553,808	7.96%	43,266,883
2021	2023	47	433,986,314	167,056,700	-		-	672,306,221	7.96%	53,515,575
2022	2024	71	538,742,583	167,056,700	-	6.09%	40,943,449	818,005,939	7.96%	65,113,273
2023	2025	-	556,212,583	167,056,700	-		-	835,475,939	7.96%	66,503,885
2024	2026	44	617,526,912	167,056,700	-	6.09%	50,880,485	947,670,753	7.96%	75,434,592
2025	2027	-	617,526,912	167,056,700	-		-	947,670,753	7.96%	75,434,592
2026	2028	-	624,962,145	167,056,700	-	6.09%	57,713,149	1,012,819,135	7.96%	80,620,403
2027	2029	-	624,962,145	167,056,700	-		-	1,012,819,135	7.96%	80,620,403
2028	2030	-	624,962,145	167,056,700	-	6.09%	61,680,685	1,074,499,820	7.96%	85,530,186
2029	2031	-	624,962,145	167,056,700	-		-	1,074,499,820	7.96%	85,530,186
2030	2032	-	624,962,145	167,056,700	-	6.09%	65,437,039	1,139,936,859	7.96%	90,738,974
2031	2033	-	624,962,145	167,056,700	-		-	1,139,936,859	7.96%	90,738,974
2032	2034	-	624,962,145	167,056,700	-	6.09%	69,422,155	1,209,359,014	7.96%	96,264,978
2033	2035	-	624,962,145	167,056,700	-		-	1,209,359,014	7.96%	96,264,978
2034	2036	-	624,962,145	167,056,700	-	6.09%	73,649,964	1,283,008,978	7.96%	102,127,515
2035	2037	-	624,962,145	167,056,700	-		-	1,283,008,978	7.96%	102,127,515
2036	2038	-	624,962,145	167,056,700	-	6.09%	78,135,247	1,361,144,225	7.96%	108,347,080
2037	2039	-	624,962,145	167,056,700	-		-	1,361,144,225	7.96%	108,347,080
2038	2040	-	624,962,145	167,056,700	-	6.09%	82,893,683	1,444,037,908	7.96%	114,945,417
2039	2041	-	624,962,145	167,056,700	-		-	1,444,037,908	7.96%	114,945,417
2040	2042	-	624,962,145	167,056,700	-	6.09%	87,941,909	1,531,979,817	7.96%	121,945,593
2041	2043	-	624,962,145	167,056,700	-		-	1,531,979,817	7.96%	121,945,593
2042	2044	-	624,962,145	167,056,700	-	6.09%	93,297,571	1,625,277,387	7.96%	129,372,080
2043	2045	-	624,962,145	167,056,700	-		-	1,625,277,387	7.96%	129,372,080
2044	2046	-	624,962,145	167,056,700	-	6.09%	98,979,393	1,724,256,780	7.96%	137,250,840
2045	2047	-	624,962,145	167,056,700	-		-	1,724,256,780	7.96%	137,250,840
2046	2048	-	624,962,145	167,056,700	-	6.09%	105,007,238	1,829,264,018	7.96%	145,609,416

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Commercial Development														
		Building 4AB/5			Building 7/8			Building 10A			Building 10B			Building 11/12		
Construction Year	Collection Year	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value
2015	2017	0%	157,315	157,315	0%	1,225,910	1,225,910	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2016	2018	0%	157,315	157,315	0%	1,225,910	1,225,910	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2017	2019	50%	78,658	78,658	39%	747,805	747,805	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2018	2020	100%	-	-	91%	110,332	110,332	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2019	2021	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2020	2022	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	50%	4,056,150	4,056,150
2021	2023	100%	-	-	100%	-	-	50%	2,730,725	2,730,725	0%	5,461,450	5,461,450	100%	-	-
2022	2024	100%	-	-	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	100%	-	-
2023	2025	100%	-	-	100%	-	-	100%	-	-	50%	2,730,725	2,730,725	100%	-	-
2024	2026	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2025	2027	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2026	2028	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2027	2029	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2028	2030	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2029	2031	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2030	2032	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2031	2033	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2032	2034	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2033	2035	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2034	2036	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2035	2037	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2036	2038	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2037	2039	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2038	2040	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2039	2041	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2040	2042	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2041	2043	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2042	2044	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2043	2045	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2044	2046	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2045	2047	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-
2046	2048	100%	-	-	100%	-	-	100%	-	-	100%	-	-	100%	-	-

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BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

		Commercial Development									
		Fanny Hill Townhomes			Parking Garage						
Construction Year	Collection Year	Percent Complete	Existing Market Value	Total Cumulative Market Value	Number of Parking Spaces	Value per Parking Space $111,103	Annual Market Value of New Spaces	Cumulative Market Value of New Spaces	Existing Market Value	Total Cumulative Market Value
2015	2017	0%	5,846,400	5,846,400					14,022,175	14,022,175
2016	2018	0%	5,846,400	5,846,400	108	111,103	11,999,124	11,999,124		11,999,124
2017	2019	0%	5,846,400	5,846,400				11,999,124		11,999,124
2018	2020	0%	5,846,400	5,846,400				11,999,124		11,999,124
2019	2021	50%	2,923,200	2,923,200				11,999,124		11,999,124
2020	2022	100%	-	-				11,999,124		11,999,124
2021	2023	100%	-	-				11,999,124		11,999,124
2022	2024	100%	-	-				11,999,124		11,999,124
2023	2025	100%	-	-				11,999,124		11,999,124
2024	2026	100%	-	-				11,999,124		11,999,124
2025	2027	100%	-	-				11,999,124		11,999,124
2026	2028	100%	-	-				11,999,124		11,999,124
2027	2029	100%	-	-				11,999,124		11,999,124
2028	2030	100%	-	-				11,999,124		11,999,124
2029	2031	100%	-	-				11,999,124		11,999,124
2030	2032	100%	-	-				11,999,124		11,999,124
2031	2033	100%	-	-				11,999,124		11,999,124
2032	2034	100%	-	-				11,999,124		11,999,124
2033	2035	100%	-	-				11,999,124		11,999,124
2034	2036	100%	-	-				11,999,124		11,999,124
2035	2037	100%	-	-				11,999,124		11,999,124
2036	2038	100%	-	-				11,999,124		11,999,124
2037	2039	100%	-	-				11,999,124		11,999,124
2038	2040	100%	-	-				11,999,124		11,999,124
2039	2041	100%	-	-				11,999,124		11,999,124
2040	2042	100%	-	-				11,999,124		11,999,124
2041	2043	100%	-	-				11,999,124		11,999,124
2042	2044	100%	-	-				11,999,124		11,999,124
2043	2045	100%	-	-				11,999,124		11,999,124
2044	2046	100%	-	-				11,999,124		11,999,124
2045	2047	100%	-	-				11,999,124		11,999,124
2046	2048	100%	-	-				11,999,124		11,999,124

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

Construction Year	Collection Year	Total Cumulative Market Value	Market Values to be Removed from PUD	Market Values Moved to District No. 1 (See Page 22)	Other Cumulative Existing Market Value	Estimated Biennial Revaluation per State Statute		Total Commercial Cumulative Market Value	Estimated Commercial Assessment Ratio	**COMMERCIAL ASSESSED VALUATION**	**RESIDENTIAL ASSESSED VALUATION** (See Page 15)	**TOTAL ASSESSED VALUATION** (To Pages 3 & 4)
						Rate	Amount					
2015	2017	40,287,000	540,300	10,080,600	14,437,390		-	**65,345,290**	29.00%	**18,950,340**	**17,759,500**	**36,709,840**
2016	2018	38,263,949			14,437,390	6.09%	3,979,528	56,680,867	29.00%	16,437,451	14,987,853	31,425,305
2017	2019	37,707,187			14,437,390		-	56,124,105	29.00%	16,275,990	17,304,403	33,580,393
2018	2020	36,991,056			14,437,390	6.09%	3,417,958	58,825,932	29.00%	17,059,520	22,929,042	39,988,562
2019	2021	33,957,524			14,437,390		-	55,792,400	29.00%	16,179,796	29,894,188	46,073,984
2020	2022	26,978,174			14,437,390	6.09%	3,397,757	52,210,807	29.00%	15,141,134	43,266,883	58,408,017
2021	2023	20,191,299			14,437,390		-	45,423,932	29.00%	13,172,940	53,515,575	66,688,516
2022	2024	17,460,574			14,437,390	6.09%	2,766,317	45,459,525	29.00%	13,183,262	65,113,273	78,296,535
2023	2025	14,729,849			14,437,390		-	42,728,800	29.00%	12,391,352	66,503,885	78,895,237
2024	2026	11,999,124			14,437,390	6.09%	2,602,184	42,600,259	29.00%	12,354,075	75,434,592	87,788,667
2025	2027	11,999,124			14,437,390		-	42,600,259	29.00%	12,354,075	75,434,592	87,788,667
2026	2028	11,999,124			14,437,390	6.09%	2,594,356	45,194,614	29.00%	13,106,438	80,620,403	93,726,841
2027	2029	11,999,124			14,437,390		-	45,194,614	29.00%	13,106,438	80,620,403	93,726,841
2028	2030	11,999,124			14,437,390	6.09%	2,752,352	47,946,966	29.00%	13,904,620	85,530,186	99,434,806
2029	2031	11,999,124			14,437,390		-	47,946,966	29.00%	13,904,620	85,530,186	99,434,806
2030	2032	11,999,124			14,437,390	6.09%	2,919,970	50,866,937	29.00%	14,751,412	90,738,974	105,490,386
2031	2033	11,999,124			14,437,390		-	50,866,937	29.00%	14,751,412	90,738,974	105,490,386
2032	2034	11,999,124			14,437,390	6.09%	3,097,796	53,964,733	29.00%	15,649,773	96,264,978	111,914,750
2033	2035	11,999,124			14,437,390		-	53,964,733	29.00%	15,649,773	96,264,978	111,914,750
2034	2036	11,999,124			14,437,390	6.09%	3,286,452	57,251,185	29.00%	16,602,844	102,127,515	118,730,358
2035	2037	11,999,124			14,437,390		-	57,251,185	29.00%	16,602,844	102,127,515	118,730,358
2036	2038	11,999,124			14,437,390	6.09%	3,486,597	60,737,783	29.00%	17,613,957	108,347,080	125,961,037
2037	2039	11,999,124			14,437,390		-	60,737,783	29.00%	17,613,957	108,347,080	125,961,037
2038	2040	11,999,124			14,437,390	6.09%	3,698,931	64,436,714	29.00%	18,686,647	114,945,417	133,632,064
2039	2041	11,999,124			14,437,390		-	64,436,714	29.00%	18,686,647	114,945,417	133,632,064
2040	2042	11,999,124			14,437,390	6.09%	3,924,196	68,360,909	29.00%	19,824,664	121,945,593	141,770,257
2041	2043	11,999,124			14,437,390		-	68,360,909	29.00%	19,824,664	121,945,593	141,770,257
2042	2044	11,999,124			14,437,390	6.09%	4,163,179	72,524,089	29.00%	21,031,986	129,372,080	150,404,066
2043	2045	11,999,124			14,437,390		-	72,524,089	29.00%	21,031,986	129,372,080	150,404,066
2044	2046	11,999,124			14,437,390	6.09%	4,416,717	76,940,806	29.00%	22,312,834	137,250,840	159,563,673
2045	2047	11,999,124			14,437,390		-	76,940,806	29.00%	22,312,834	137,250,840	159,563,673
2046	2048	11,999,124			14,437,390	6.09%	4,685,695	81,626,501	29.00%	23,671,685	145,609,416	169,281,101

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2051

		Base Village Metropolitan District No. 1 - Commercial Development													
		Building 4AB/5													
			Construction Costs Value		Hotel					Retail					
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Rooms Developed	Market Value Per Room $320,000	Discount Initial Year of Completion	Annual Market Value of New Rooms	Cumulative Market Value of New Hotel	Annual Number of Sq. Ft. Developed	Market Value Per Sq. Ft. $290	Discount Initial Year of Completion	Annual Market Value of New Retail	Cumulative Market Value of New Retail	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%				
2015	2017	0%													-
2016	2018	0%	27,110,000	-		320,000			-		290			-	-
2017	2019	50%	27,110,000	13,555,000		326,400			-		296			-	13,555,000
2018	2020	100%	-	-	102	332,928	100%	33,958,656	33,958,656	23,688	302	100%	7,147,049	7,147,049	41,105,705
2019	2021	100%	-	-				-	33,958,656				-	7,147,049	41,105,705
2020	2022	100%	-	-				-	33,958,656				-	7,147,049	41,105,705
2021	2023	100%	-	-					33,958,656					7,147,049	41,105,705
2022	2024	100%	-	-					33,958,656					7,147,049	41,105,705
2023	2025	100%	-	-					33,958,656					7,147,049	41,105,705
2024	2026	100%	-	-					33,958,656					7,147,049	41,105,705
2025	2027	100%	-	-					33,958,656					7,147,049	41,105,705
2026	2028	100%	-	-					33,958,656					7,147,049	41,105,705
2027	2029	100%	-	-					33,958,656					7,147,049	41,105,705
2028	2030	100%	-	-					33,958,656					7,147,049	41,105,705
2029	2031	100%	-	-					33,958,656					7,147,049	41,105,705
2030	2032	100%	-	-					33,958,656					7,147,049	41,105,705
2031	2033	100%	-	-					33,958,656					7,147,049	41,105,705
2032	2034	100%	-	-					33,958,656					7,147,049	41,105,705
2033	2035	100%	-	-					33,958,656					7,147,049	41,105,705
2034	2036	100%	-	-					33,958,656					7,147,049	41,105,705
2035	2037	100%	-	-					33,958,656					7,147,049	41,105,705
2036	2038	100%	-	-					33,958,656					7,147,049	41,105,705
2037	2039	100%	-	-					33,958,656					7,147,049	41,105,705
2038	2040	100%	-	-					33,958,656					7,147,049	41,105,705
2039	2041	100%	-	-					33,958,656					7,147,049	41,105,705
2040	2042	100%	-	-					33,958,656					7,147,049	41,105,705
2041	2043	100%	-	-					33,958,656					7,147,049	41,105,705
2042	2044	100%	-	-					33,958,656					7,147,049	41,105,705
2043	2045	100%	-	-					33,958,656					7,147,049	41,105,705
2044	2046	100%	-	-					33,958,656					7,147,049	41,105,705
2045	2047	100%	-	-					33,958,656					7,147,049	41,105,705
2046	2048	100%	-	-					33,958,656					7,147,049	41,105,705
2047	2049	0%	-	-					33,958,656					7,147,049	41,105,705
2048	2050	0%	-	-					33,958,656					7,147,049	41,105,705
2049	2051	0%	-	-					33,958,656					7,147,049	41,105,705

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2051

		Base Village Metropolitan District No. 1 - Commercial Development								
		Building 7/8								
			Construction Costs Value		Retail					
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Sq. Ft. Developed	Market Value Per Sq. Ft. $290	Discount Initial Year of Completion	Annual Market Value of New Retail	Cumulative Market Value of New Retail	Total Cumulative Market Value
Inflation compounded annually at						2.0%				
2015	2017	0%								-
2016	2018	0%	1,630,000	-		290			-	-
2017	2019	39%	1,630,000	635,700		296			-	635,700
2018	2020	91%	1,630,000	1,483,300		302			-	1,483,300
2019	2021	100%	-	-	14,086	308	100%	4,334,971	4,334,971	4,334,971
2020	2022	100%	-	-					4,334,971	4,334,971
2021	2023	100%	-	-					4,334,971	4,334,971
2022	2024	100%	-	-					4,334,971	4,334,971
2023	2025	100%	-	-					4,334,971	4,334,971
2024	2026	100%	-	-					4,334,971	4,334,971
2025	2027	100%	-	-					4,334,971	4,334,971
2026	2028	100%	-	-					4,334,971	4,334,971
2027	2029	100%	-	-					4,334,971	4,334,971
2028	2030	100%	-	-					4,334,971	4,334,971
2029	2031	100%	-	-					4,334,971	4,334,971
2030	2032	100%	-	-					4,334,971	4,334,971
2031	2033	100%	-	-					4,334,971	4,334,971
2032	2034	100%	-	-					4,334,971	4,334,971
2033	2035	100%	-	-					4,334,971	4,334,971
2034	2036	100%	-	-					4,334,971	4,334,971
2035	2037	100%	-	-					4,334,971	4,334,971
2036	2038	100%	-	-					4,334,971	4,334,971
2037	2039	100%	-	-					4,334,971	4,334,971
2038	2040	100%	-	-					4,334,971	4,334,971
2039	2041	100%	-	-					4,334,971	4,334,971
2040	2042	100%	-	-					4,334,971	4,334,971
2041	2043	100%	-	-					4,334,971	4,334,971
2042	2044	100%	-	-					4,334,971	4,334,971
2043	2045	100%	-	-					4,334,971	4,334,971
2044	2046	100%	-	-					4,334,971	4,334,971
2045	2047	100%	-	-					4,334,971	4,334,971
2046	2048	100%	-	-					4,334,971	4,334,971
2047	2049	0%	-	-					4,334,971	4,334,971
2048	2050	0%	-	-					4,334,971	4,334,971
2049	2051	0%	-	-					4,334,971	4,334,971

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2051

		Base Village Metropolitan District No. 1 - Commercial Development								
		Building 10A								
			Construction Costs Value		Retail					
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Sq. Ft. Developed	Market Value Per Sq. Ft. $290	Discount Initial Year of Completion	Annual Market Value of New Retail	Cumulative Market Value of New Retail	Total Cumulative Market Value
Inflation compounded annually at						2.0%				
2015	2017	0%								-
2016	2018	0%	2,140,000	-		290			-	-
2017	2019	0%	2,140,000	-		296			-	-
2018	2020	0%	2,140,000	-		302			-	-
2019	2021	0%	2,140,000	-		308			-	-
2020	2022	0%	2,140,000	-		314			-	-
2021	2023	50%	2,140,000	1,070,000		320			-	1,070,000
2022	2024	100%	-	-	6,081	327	100%	1,985,976	1,985,976	1,985,976
2023	2025	100%	-	-				-	1,985,976	1,985,976
2024	2026	100%	-	-				-	1,985,976	1,985,976
2025	2027	100%	-	-					1,985,976	1,985,976
2026	2028	100%	-	-					1,985,976	1,985,976
2027	2029	100%	-	-					1,985,976	1,985,976
2028	2030	100%	-	-					1,985,976	1,985,976
2029	2031	100%	-	-					1,985,976	1,985,976
2030	2032	100%	-	-					1,985,976	1,985,976
2031	2033	100%	-	-					1,985,976	1,985,976
2032	2034	100%	-	-					1,985,976	1,985,976
2033	2035	100%	-	-					1,985,976	1,985,976
2034	2036	100%	-	-					1,985,976	1,985,976
2035	2037	100%	-	-					1,985,976	1,985,976
2036	2038	100%	-	-					1,985,976	1,985,976
2037	2039	100%	-	-					1,985,976	1,985,976
2038	2040	100%	-	-					1,985,976	1,985,976
2039	2041	100%	-	-					1,985,976	1,985,976
2040	2042	100%	-	-					1,985,976	1,985,976
2041	2043	100%	-	-					1,985,976	1,985,976
2042	2044	100%	-	-					1,985,976	1,985,976
2043	2045	100%	-	-					1,985,976	1,985,976
2044	2046	100%	-	-					1,985,976	1,985,976
2045	2047	100%	-	-					1,985,976	1,985,976
2046	2048	100%	-	-					1,985,976	1,985,976
2047	2049	100%	-	-					1,985,976	1,985,976
2048	2050	100%	-	-					1,985,976	1,985,976
2049	2051	100%	-	-					1,985,976	1,985,976

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2051

Construction Year	Collection Year	Total Cumulative Market Value	Market Values Moved from District No. 2 (See Page 18)	Other Cumulative Existing Market Value	Estimated Biennial Revaluation per State Statute		Total Commercial Cumulative Market Value	Estimated Commercial Assessment Ratio	**BASE VILLAGE DISTRICT NO. 1 ASSESSED VALUATION** (To Pages 6 & 25)
					Rate	Amount			
2015	2017	-		8,899,550		-	**8,899,550**	29.00%	**2,580,880**
2016	2018	-	10,080,600	8,899,550	6.09%	541,983	19,522,133	29.00%	5,661,418
2017	2019	14,190,700	10,080,600	8,899,550		-	33,712,833	29.00%	9,776,721
2018	2020	42,589,005	10,080,600	8,899,550	6.09%	2,053,112	64,164,249	29.00%	18,607,632
2019	2021	45,440,676	10,080,600	8,899,550		-	67,015,920	29.00%	19,434,617
2020	2022	45,440,676	10,080,600	8,899,550	6.09%	4,081,270	71,097,189	29.00%	20,618,185
2021	2023	46,510,676	10,080,600	8,899,550		-	72,167,189	29.00%	20,928,485
2022	2024	47,426,652	10,080,600	8,899,550	6.09%	4,394,982	77,478,147	29.00%	22,468,663
2023	2025	47,426,652	10,080,600	8,899,550		-	77,478,147	29.00%	22,468,663
2024	2026	47,426,652	10,080,600	8,899,550	6.09%	4,718,419	82,196,566	29.00%	23,837,004
2025	2027	47,426,652	10,080,600	8,899,550		-	82,196,566	29.00%	23,837,004
2026	2028	47,426,652	10,080,600	8,899,550	6.09%	5,005,771	87,202,337	29.00%	25,288,678
2027	2029	47,426,652	10,080,600	8,899,550		-	87,202,337	29.00%	25,288,678
2028	2030	47,426,652	10,080,600	8,899,550	6.09%	5,310,622	92,512,960	29.00%	26,828,758
2029	2031	47,426,652	10,080,600	8,899,550		-	92,512,960	29.00%	26,828,758
2030	2032	47,426,652	10,080,600	8,899,550	6.09%	5,634,039	98,146,999	29.00%	28,462,630
2031	2033	47,426,652	10,080,600	8,899,550		-	98,146,999	29.00%	28,462,630
2032	2034	47,426,652	10,080,600	8,899,550	6.09%	5,977,152	104,124,151	29.00%	30,196,004
2033	2035	47,426,652	10,080,600	8,899,550		-	104,124,151	29.00%	30,196,004
2034	2036	47,426,652	10,080,600	8,899,550	6.09%	6,341,161	110,465,312	29.00%	32,034,940
2035	2037	47,426,652	10,080,600	8,899,550		-	110,465,312	29.00%	32,034,940
2036	2038	47,426,652	10,080,600	8,899,550	6.09%	6,727,337	117,192,649	29.00%	33,985,868
2037	2039	47,426,652	10,080,600	8,899,550		-	117,192,649	29.00%	33,985,868
2038	2040	47,426,652	10,080,600	8,899,550	6.09%	7,137,032	124,329,682	29.00%	36,055,608
2039	2041	47,426,652	10,080,600	8,899,550		-	124,329,682	29.00%	36,055,608
2040	2042	47,426,652	10,080,600	8,899,550	6.09%	7,571,678	131,901,359	29.00%	38,251,394
2041	2043	47,426,652	10,080,600	8,899,550		-	131,901,359	29.00%	38,251,394
2042	2044	47,426,652	10,080,600	8,899,550	6.09%	8,032,793	139,934,152	29.00%	40,580,904
2043	2045	47,426,652	10,080,600	8,899,550		-	139,934,152	29.00%	40,580,904
2044	2046	47,426,652	10,080,600	8,899,550	6.09%	8,521,990	148,456,142	29.00%	43,052,281
2045	2047	47,426,652	10,080,600	8,899,550		-	148,456,142	29.00%	43,052,281
2046	2048	47,426,652	10,080,600	8,899,550	6.09%	9,040,979	157,497,121	29.00%	45,674,165
2047	2049	47,426,652	10,080,600	8,899,550		-	157,497,121	29.00%	45,674,165
2048	2050	47,426,652	10,080,600	8,899,550	6.09%	9,591,575	167,088,696	29.00%	48,455,722
2049	2051	47,426,652	10,080,600	8,899,550		-	167,088,696	29.00%	48,455,722

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED FACILITY FEE REVENUE

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

Year	Total Number of New Residential Units	Number of Unsold Residential Units in Building 13A	Total Number of Residential Units	Facility Fees at $5,150 Per Unit
				(To Page 4)
2016	-	6	6	30,900
2017	-	30	30	154,500
2018	20	29	49	252,350
2019	45		45	231,750
2020	67		67	345,050
2021	47		47	242,050
2022	71		71	365,650
2023	-		-	-
2024	44		44	226,600
2025	-		-	-
2026	-		-	-
2027	-		-	-
2028	-		-	-
2029	-		-	-
2030	-		-	-
2031	-		-	-
2032	-		-	-
2033	-		-	-
2034	-		-	-
2035	-		-	-
2036	-		-	-
2037	-		-	-
2038	-		-	-
2039	-		-	-
2040	-		-	-
2041	-		-	-
2042	-		-	-
2043	-		-	-
2044	-		-	-
2045	-		-	-
2046	-		-	-
2047				-
2048				-
	294	65	359	1,848,850

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED DEVELOPER ADVANCES

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

	District No. 1 - General Fund - Advances Beginning in 2017						
Year	Annual Developer Advances (See Page 6)	Annual Developer Advance Repayments	Cumulative Outstanding Developer Advances	Interest Accrued on Outstanding Advances at Simple 6.50%	Annual Interest Repayments	Cumulative Outstanding Interest	Cumulative Outstanding Developer Advances Including Interest
2016	-	-	-	-	-	-	-
2017	176,335	-	176,335	-	-	-	176,335
2018	81,765	-	258,100	11,462	-	11,462	269,562
2019	-	-	258,100	16,777	-	28,238	286,338
2020	-	(227,695)	30,405	16,777	(45,015)	-	30,405
2021	-	(30,405)	-	1,976	(1,976)	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-
	258,100	(258,100)		46,991	(46,991)		
				Total Repayments	305,091		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED DEVELOPER ADVANCES

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2051

						District No. 1 - General Fund - Advances Prior to 2017						
Year	Total Assessed Value (See Page 14)	Mill Levy (See Page 6)	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	Total Cash Receipts	Annual Developer Advances (See Page 3)	Annual Developer Advance Repayments	Cumulative Outstanding Developer Advances	Interest Accrued on Outstanding Advances at Simple 8.00%	Annual Interest Repayments	Cumulative Outstanding Interest	Cumulative Outstanding Developer Advances Including Interest
2015								5,258,730			3,407,811	8,666,541
2016	2,634,480	-	-	-	-	176,000	-	5,434,730	420,698	-	3,828,509	9,263,239
2017	2,580,880	-	-	-	-	-	-	5,434,730	434,778	-	4,263,288	9,698,018
2018	5,661,418	-	-	-	-	-	-	5,434,730	434,778	-	4,698,066	10,132,796
2019	9,776,721	-	-	-	-	-	-	5,434,730	434,778	-	5,132,845	10,567,575
2020	18,607,632	-	-	-	-	-	-	5,434,730	434,778	-	5,567,623	11,002,353
2021	19,434,617	7.769	142,687	4,281	146,968	-	-	5,434,730	434,778	146,968	5,855,434	11,290,164
2022	20,618,185	17.315	337,363	10,121	347,484	-	-	5,434,730	434,778	347,484	5,942,728	11,377,458
2023	20,928,485	17.445	345,017	10,350	355,367	-	-	5,434,730	434,778	355,367	6,022,140	11,456,870
2024	22,468,663	18.988	403,176	12,095	415,272	-	-	5,434,730	434,778	415,272	6,041,646	11,476,376
2025	22,468,663	18.743	397,972	11,939	409,911	-	-	5,434,730	434,778	409,911	6,066,514	11,501,244
2026	23,837,004	19.931	448,964	13,469	462,433	-	-	5,434,730	434,778	462,433	6,038,859	11,473,589
2027	23,837,004	19.695	443,655	13,310	456,965	-	-	5,434,730	434,778	456,965	6,016,672	11,451,402
2028	25,288,678	20.837	497,968	14,939	512,907	-	-	5,434,730	434,778	512,907	5,938,544	11,373,274
2029	25,288,678	20.611	492,552	14,777	507,328	-	-	5,434,730	434,778	507,328	5,865,994	11,300,724
2030	26,828,758	21.709	550,391	16,512	566,902	-	-	5,434,730	434,778	566,902	5,733,869	11,168,599
2031	26,828,758	21.491	544,866	16,346	561,212	-	-	5,434,730	434,778	561,212	5,607,436	11,042,166
2032	28,462,630	22.547	606,450	18,194	624,644	-	-	5,434,730	434,778	624,644	5,417,570	10,852,300
2033	28,462,630	22.337	600,815	18,024	618,839	-	-	5,434,730	434,778	618,839	5,233,510	10,668,240
2034	30,196,004	23.353	666,377	19,991	686,368	-	-	5,434,730	434,778	686,368	4,981,920	10,416,650
2035	30,196,004	23.151	660,628	19,819	680,447	-	-	5,434,730	434,778	680,447	4,736,251	10,170,981
2036	32,034,940	24.128	730,416	21,912	752,328	-	-	5,434,730	434,778	752,328	4,418,701	9,853,431
2037	32,034,940	23.934	724,551	21,737	746,288	-	-	5,434,730	434,778	746,288	4,107,192	9,541,922
2038	33,985,868	24.873	798,826	23,965	822,790	-	-	5,434,730	434,778	822,790	3,719,180	9,153,910
2039	33,985,868	24.686	792,843	23,785	816,628	-	-	5,434,730	434,778	816,628	3,337,330	8,772,060
2040	36,055,608	25.589	871,883	26,156	898,039	-	-	5,434,730	434,778	898,039	2,874,070	8,308,800
2041	36,055,608	25.410	865,780	25,973	891,753	-	-	5,434,730	434,778	891,753	2,417,095	7,851,825
2042	38,251,394	26.278	949,879	28,496	978,376	-	-	5,434,730	434,778	978,376	1,873,497	7,308,227
2043	38,251,394	26.106	943,654	28,310	971,964	-	-	5,434,730	434,778	971,964	1,336,312	6,771,042
2044	40,580,904	26.940	1,033,127	30,994	1,064,120	-	-	5,434,730	434,778	1,064,120	706,970	6,141,700
2045	40,580,904	26.775	1,026,776	30,803	1,057,579	-	-	5,434,730	434,778	1,057,579	84,169	5,518,899
2046	43,052,281	27.577	1,121,954	33,659	1,155,613	-	636,665	4,798,065	434,778	518,948	-	4,798,065
2047	43,052,281	27.418	1,115,476	33,464	1,148,940	-	765,095	4,032,970	383,845	383,845	-	4,032,970
2048	45,674,165	28.189	1,216,712	36,501	1,253,214	-	930,576	3,102,394	322,638	322,638	-	3,102,394
2049	45,674,165	28.036	1,210,104	36,303	1,246,407	-	998,215	2,104,178	248,191	248,191	-	2,104,178
2050	48,455,722	28.778	1,317,772	39,533	1,357,305	-	1,188,971	915,207	168,334	168,334	-	915,207
2051	48,455,722	20.957	959,635	28,789	988,424	-	915,207	-	73,217	73,217	-	-
			22,818,268	684,548	23,502,816	176,000	5,434,730		14,660,275	18,068,086		
									Total Repayments	23,502,816		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED 2016A BOND DEBT SERVICE REQUIREMENTS

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

Series 2016A Bond Issue

Dated: **December 22, 2016** **$31,260,000**

Issued: **December 22, 2016**

Interest Rate: **5.50% - 5.75%** Principal payments due on Dec. 1.

Year	Principal	Coupon	Interest	**Total Series A Bonds Debt Service**	Reduce Debt Service By Reserve Fund Interest	**Net 2016A Bonds Debt Service Payments**	Bond Principal Remaining	Year
						(To Page 5)		
2017			1,664,855	1,664,855	(1,232)	1,663,623	31,260,000	2017
2018			1,767,988	1,767,988	(1,308)	1,766,679	31,260,000	2018
2019			1,767,988	1,767,988	(1,308)	1,766,679	31,260,000	2019
2020	85,000	5.500%	1,767,988	1,852,988	(1,308)	1,851,679	31,175,000	2020
2021	285,000	5.500%	1,763,313	2,048,313	(1,308)	2,047,004	30,890,000	2021
2022	385,000	5.500%	1,747,638	2,132,638	(1,308)	2,131,329	30,505,000	2022
2023	410,000	5.500%	1,726,463	2,136,463	(1,308)	2,135,154	30,095,000	2023
2024	475,000	5.500%	1,703,913	2,178,913	(1,308)	2,177,604	29,620,000	2024
2025	500,000	5.500%	1,677,788	2,177,788	(1,308)	2,176,479	29,120,000	2025
2026	570,000	5.500%	1,650,288	2,220,288	(1,308)	2,218,979	28,550,000	2026
2027	600,000	5.500%	1,618,938	2,218,938	(1,308)	2,217,629	27,950,000	2027
2028	680,000	5.500%	1,585,938	2,265,938	(1,308)	2,264,629	27,270,000	2028
2029	715,000	5.500%	1,548,538	2,263,538	(1,308)	2,262,229	26,555,000	2029
2030	800,000	5.500%	1,509,213	2,309,213	(1,308)	2,307,904	25,755,000	2030
2031	845,000	5.500%	1,465,213	2,310,213	(1,308)	2,308,904	24,910,000	2031
2032	940,000	5.500%	1,418,738	2,358,738	(1,308)	2,357,429	23,970,000	2032
2033	990,000	5.500%	1,367,038	2,357,038	(1,308)	2,355,729	22,980,000	2033
2034	1,090,000	5.500%	1,312,588	2,402,588	(1,308)	2,401,279	21,890,000	2034
2035	1,150,000	5.500%	1,252,638	2,402,638	(1,308)	2,401,329	20,740,000	2035
2036	1,265,000	5.500%	1,189,388	2,454,388	(1,308)	2,453,079	19,475,000	2036
2037	1,330,000	5.750%	1,119,813	2,449,813	(1,308)	2,448,504	18,145,000	2037
2038	1,455,000	5.750%	1,043,338	2,498,338	(1,308)	2,497,029	16,690,000	2038
2039	1,540,000	5.750%	959,675	2,499,675	(1,308)	2,498,367	15,150,000	2039
2040	1,680,000	5.750%	871,125	2,551,125	(1,308)	2,549,817	13,470,000	2040
2041	1,775,000	5.750%	774,525	2,549,525	(1,308)	2,548,217	11,695,000	2041
2042	1,930,000	5.750%	672,463	2,602,463	(1,308)	2,601,154	9,765,000	2042
2043	2,040,000	5.750%	561,488	2,601,488	(1,308)	2,600,179	7,725,000	2043
2044	2,210,000	5.750%	444,188	2,654,188	(1,308)	2,652,879	5,515,000	2044
2045	2,335,000	5.750%	317,113	2,652,113	(1,308)	2,650,804	3,180,000	2045
2046	3,180,000	5.750%	182,850	3,362,850	(655,476)	2,707,374	-	2046
2047			-	-		-	-	2047
2048			-	-		-	-	2048
	31,260,000		38,453,017	69,713,017	(693,342)	69,019,676		

USE OF PROCEEDS:

Original Issue Premium	(60,567)	
2013A Debt Service Reserve Fund	(1,246,000)	
2013A debt service funds	(155,019)	
Repayment of Series 2013B Bonds	10,347,617	
Deposit to Refunding Escrow for 2013A Loan	18,477,817	
Debt Service Reserve Fund	654,168	0.20%
Surplus Fund	2,000,000	
Underwriter's Discount	678,520	
Issuance Costs	563,464	
	31,260,000	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS ONLY

SCHEDULE OF ESTIMATED 2016B BOND DEBT SERVICE REQUIREMENTS

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2048

Series 2016B Subordinate Bond Issue

Dated: December 22, 2016 — **$13,330,000**
Issued: December 22, 2016
Interest Rate: 6.50% compounded annually
Principal payments: Due on December 15

Year	Bond Principal: Principal Payments	Bond Principal: Outstanding Balance	Bond Interest: Interest Accrued on Outstanding Principal and Unpaid Interest	Bond Interest: Interest Payments	Bond Interest: Cumulative Unpaid Interest	**Total 2016B Subordinate Bonds Debt Service Payments** (To Page 5)	Year
2016	-	13,330,000		-	-	-	2016
2017	-	13,330,000	849,602	-	849,602	-	2017
2018	-	13,330,000	921,674	-	1,771,276	-	2018
2019	-	13,330,000	981,583	-	2,752,859	-	2019
2020	-	13,330,000	1,045,386	116,558	3,681,687	116,558	2020
2021	-	13,330,000	1,105,760	-	4,787,447	-	2021
2022	-	13,330,000	1,177,634	366,250	5,598,832	366,250	2022
2023	-	13,330,000	1,230,374	299,018	6,530,188	299,018	2023
2024	-	13,330,000	1,290,912	906,868	6,914,232	906,868	2024
2025	-	13,330,000	1,315,875	703,247	7,526,860	703,247	2025
2026	-	13,330,000	1,355,696	985,362	7,897,194	985,362	2026
2027	-	13,330,000	1,379,768	986,712	8,290,250	986,712	2027
2028	-	13,330,000	1,405,316	1,156,459	8,539,108	1,156,459	2028
2029	-	13,330,000	1,421,492	1,158,859	8,801,741	1,158,859	2029
2030	-	13,330,000	1,438,563	1,321,529	8,918,775	1,321,529	2030
2031	-	13,330,000	1,446,170	1,320,529	9,044,416	1,320,529	2031
2032	-	13,330,000	1,454,337	1,493,036	9,005,717	1,493,036	2032
2033	-	13,330,000	1,451,822	1,494,736	8,962,803	1,494,736	2033
2034	-	13,330,000	1,449,032	1,683,679	8,728,157	1,683,679	2034
2035	-	13,330,000	1,433,780	1,683,629	8,478,308	1,683,629	2035
2036	-	13,330,000	1,417,540	1,880,653	8,015,195	1,880,653	2036
2037	-	13,330,000	1,387,438	1,885,228	7,517,405	1,885,228	2037
2038	-	13,330,000	1,355,081	2,100,627	6,771,859	2,100,627	2038
2039	-	13,330,000	1,306,621	2,099,289	5,979,191	2,099,289	2039
2040	-	13,330,000	1,255,097	2,327,837	4,906,450	2,327,837	2040
2041	-	13,330,000	1,185,369	2,329,437	3,762,382	2,329,437	2041
2042	-	13,330,000	1,111,005	2,573,548	2,299,839	2,573,548	2042
2043	-	13,330,000	1,015,940	2,574,523	741,256	2,574,523	2043
2044	1,181,000	12,149,000	914,632	1,655,888	-	2,836,888	2044
2045	2,049,000	10,100,000	789,685	789,685	-	2,838,685	2045
2046	3,460,000	6,640,000	656,500	656,500	-	4,116,500	2046
2047	5,393,000	1,247,000	431,600	431,600	-	5,824,600	2047
2048	1,247,000	-	81,055	81,055	-	1,328,055	2048
	13,330,000		37,062,339	37,062,339		50,392,339	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

NOTE 1) NATURE AND LIMITATION OF FORECAST

This forecast of financial information is for the purpose of a financial analysis of the proposed issuance of General Obligation Limited Tax Refunding Bonds, Series 2016A (the "2016A Bonds") and Subordinate General Obligation Limited Tax Refunding Bonds, Series 2016B (the "2016B Subordinate Bonds" and, together with the 2016A Bonds, the "Bonds") of Base Village Metropolitan District No. 2 (the "District"), located in the Town of Snowmass Village (the "Town"), Pitkin County (the "County"), Colorado. The forecast displays how the proposed Bonds will be repaid from forecasted cash receipts and disbursements for the District under the following assumptions.

This financial forecast presents, to the best knowledge and belief of the Board of Directors of the District (collectively, "Management"), based on input from the Developer (defined below) and information contained in the Market Analysis (defined below) the expected cash position and results of cash receipts and disbursements for the forecast period for the District's General Fund and Debt Service Fund and Base Village Metropolitan District No. 1's ("District No. 1" and together with the District, the "Districts") General Fund. Accordingly, the forecast reflects Management's judgement, as of December 16, 2016, the date of this forecast, of the expected conditions within the District and the District's expected course of action.

The assumptions disclosed herein are those that Management believes are significant to the forecast; however, they are not all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Assumptions relating to the market values of the residential and commercial property and the build out schedule of such property are particularly sensitive as they relate to the forecast. The estimated biennial reassessment rate is also a particularly sensitive assumption as it relates to the forecast. A small variation in these assumptions could have a large effect on the forecasted results. There is a high probability that the forecasted values derived from these assumptions will vary from the actual future revenues derived from property taxes.

The forecast is expressed in terms of 2016 dollars, with adjustments for inflation. The market values of residential and commercial properties are forecasted to increase 2.0% compounded annually, starting in 2017, through build-out. Such market values of commercial properties are forecasted to increase 6.09% biennially and residential properties are forecasted to increase biennially at 4.7% in 2018, 10.25% in 2020 and 2022 and 6.09% biennially thereafter, pursuant to the reassessment of property required by State statute. Operating costs are projected to inflate 1.0% annually.

The two separate Indentures of Trust (collectively referred to as the "Indentures") authorizing the issuance of the 2016A Bonds (the "2016A Indenture") and the 2016B Bonds (the "2016B Indenture") are discussed in this Summary of Significant Forecast Assumptions and Accounting Policies. Any reference to the Indentures herein is a summarization only. The full Indentures are available to the investors of the Bonds and will prevail in the event of a conflict between the Indentures and the forecast.

NOTE 2) DEVELOPER

Most of the property within the Districts is currently owned by Snowmass Acquisition Company LLC, an affiliate of the Related Companies, a New York real estate company (the “Prior Developer”). On September 22, 2016, the Prior Developer entered into a purchase and sale contract with East West Partners, Inc., a Colorado corporation, for the sale of the Prior Developer’s Interest. The sale closed into escrow on December 15, 2016. East West has announced the formation of the Developer as a joint venture, the members of which are expected to be an affiliate of East West, an affiliate of Aspen Skiing Company and an affiliate of KSL Capital Partners, LLC, to acquire the Prior Developer’s Interest. The joint venture is Snowmass Ventures, LLC (the “Developer”). East West assigned its interest in the Purchase Agreement to the Developer on December 7, 2016. Certain members of Management are associated with or related to owners of the Prior Developer and the Developer.

The Developer has prepared the construction schedule based upon their knowledge and experience in developing other properties. The construction schedule is the best estimation of the Developer of when space will be ready for occupancy and was considered in the preparation of the Market Analysis (defined below).

NOTE 3) BASIS OF ACCOUNTING

The basis of accounting for this forecast is the cash basis, which is a basis of accounting that is different from that required by the generally accepted accounting principles under which the District will prepare its financial statements.

NOTE 4) THE DISTRICT

The District operates under a Consolidated Service Plan, approved by the Town, in conjunction with District No. 1 which is designated as the “Service District” and District No. 2 is designated as the “Financing District.” As the Service District, District No. 1 is responsible for managing the construction, acquisition and operation of public improvements, and as the Financing District, District No. 2 is responsible for providing the tax base for operational and debt service requirements. In addition, District No. 1 contains only non-residential property and District No. 2 contains both residential and non-residential property. The Consolidated Service Plan designates the “service area” of District No. 1 as all property within and without District No. 2’s boundaries.

NOTE 5) MARKET ANALYSIS

The District retained RCLCO, Bethesda, Maryland (“RCLCO”), to prepare a “Market Analysis for Future Development at Snowmass Base Village” dated November 28, 2016 (the “Market Analysis”). Snowmass Base Village encompasses property in both District No. 1 and District No. 2. The primary purpose of the Market Analysis is to provide the District with an overview of the local market economy and the competitive market area of the Development and to provide RCLCO’s conclusions about the marketability, competitive positioning, product mix, and absorption levels that should be achievable within the Development. The assumptions used in the forecast are consistent with those discussed in the Market Analysis.

NOTE 6) PROPERTY TAXES

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is expressed in terms of mills. A mill is equal to 1/10th of one cent per dollar of assessed valuation. The levy is set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year.

The Required Mill Levy of the District under the 2016A Indenture is limited to a maximum of 37.5 mills, as adjusted, during certain periods, and to a maximum of 43.5 mills, as adjusted, during certain other periods. The Capital Levy of District No. 1 under the Capital Pledge Agreement is also limited to a maximum of 43.5 mills, as adjusted. Such mill levies are subject to adjustment per the Gallagher Amendment (defined below) from October 23, 2006. The forecast assumes the annual imposition of 37.5 mills throughout the period of the forecast.

The Gallagher Amendment to the Colorado Constitution states that residential assessed values Statewide must be approximately 45% of total assessed values. When the market values of residential property increase faster than the values of nonresidential property, the residential assessment ratio must decline to keep the 45 percent/55 percent ratio.

According to information as set forth in the Colorado Legislative Council Staff Memorandum entitled "Focus Colorado: Economic and Revenue Forecast issued on December 21, 2015, the residential assessment ratio is forecasted to decline to 7.78% (from the current rate of 7.96%) beginning with the 2017 tax levy year (for tax collection in 2018). The forecasts of the Legislative Council Staff are estimates only, do not have the force of law, and may or may not occur as forecasted.

This forecast has included the current residential assessment ratio of 7.96% throughout the term of the forecast period, since it is assumed that in the event the residential assessment ratio changes, Management will increase or decrease the mill levy (as authorized under the District's Service Plan) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

The assessment ratio for commercial property is 29%.

The property taxes resulting from the above mill levy and assessed valuation have been reduced for the County Treasurer's 5% fee for collection of the taxes and further reduced by 0.5% to allow for uncollectible taxes.

The assessed valuation for the Districts is dependent upon the build-out schedule of the residential and commercial properties within the Districts. The estimated market value of commercial properties includes the value of personal property. The forecasted development build-out schedule and conversion to assessed valuation is presented as a Schedule of Estimated Assessed Valuation.

NOTE 7) SPECIFIC OWNERSHIP TAXES

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 3% of the net property taxes collected by both the General Fund and the Debt Service Fund.

NOTE 8) CAPITAL FACILITY FEES

District No. 1's Board adopted a Capital Facilities Fee Resolution which states that District No. 2 desires to impose a capital facility fee with respect to property located within District No. 2 for costs associated with the provision of public improvements described in the Service Plan. Pursuant to the Resolution, a Capital Facility Fee is established by the District for each residential living unit to be constructed within District No. 2 as a one-time charge at the rate of $5,150 per unit. Capital Facility Fees are not expected to be collected on commercial property.

NOTE 9) CAPITAL LEVY REVENUE

The District will enter into a Capital Pledge Agreement with District No. 1 by which District No. 1 has pledged the Capital Levy Revenue (defined below) to the District for payment of the Bonds (subject to the limitations of the Capital Pledge Agreement). District No. 1 will impose a capital levy each year in the number of mills necessary to produce the Capital Levy Revenue in an amount at least equal to the amount required to cover the annual Shortfall (defined below) through a pledge of the Capital Levy Revenue to the District. The Capital Levy shall not exceed 43.5 mills, as adjusted.

The Capital Levy Revenue includes the property tax revenue derived from the imposition of the Capital Levy plus specific ownership tax revenue allocable to such Capital Levy, less costs of collection.

The pledge of the Capital Levy Revenue secures the obligation of District No. 1 to make Shortfall Payments (defined below) in accordance with the Capital Pledge Agreement. The annual Shortfall is determined when the sum of the District No. 2 Required Mill Levy, the proportionate share of Specific Ownership Taxes, the Capital Facility Fees received, and the moneys in the Surplus Fund in excess of $1,000,000, are less than the Senior Debt Service Requirements for the same Bond Year. Such insufficiency shall constitute a "Shortfall" and a Shortfall shall be deemed to occur with respect to such Bond Year.

Upon determination of the Shortfall, the Capital Pledge Agreement provides that District No. 1 is to pay an amount equal to the lesser of (i) the amount of the Shortfall for the applicable Bond Year or (ii) the Capital Levy Revenue received by District No. 1 (such amount constituting a "Shortfall Payment").

NOTE 10) ADMINISTRATIVE AND OPERATIONAL COSTS

The Districts are expected to approve and execute an Operation, Maintenance and Administrative Services Agreement as of the date of issuance of the Bonds (the “Operations Agreement”). The Operations Agreement is expected to replace an Amended and Restated District Public Improvements Joint Financing, Construction, and Service Agreement dated June 25, 2008.

The Operations Agreement is expected to establish certain rights and obligations of the Districts with respect to the provision of operations, maintenance and administrative services of the Districts. The Operations Agreement is expected to obligate District No. 1 to continue to serve as the administrative agent for District No. 2 with respect to statutory annual requirements that are required of District No. 2, and also to operate and maintain public infrastructure owned by District No. 1 and/or as to which District No. 1 has operations and maintenance responsibilities pursuant to easements or other property interests. It is expected that the Operations Agreement will obligate District No. 2 to levy 6 mills until such time as the District No. 1 mill levy (in the amount of 43.5 mills less the Capital Levy under the Capital Pledge Agreement) is sufficient to meet a single year’s operations, maintenance and administrative expenses, at which point District No. 2 will no longer be obligated to fund any such expenses. The forecast estimates that the District No. 1 mill levy will be sufficient to fund annual operations beginning in 2020.

NOTE 11) DEBT SERVICE

The District anticipates issuing the 2016A Bonds and the 2016B Bonds on December 22, 2016, in the amounts of $31,260,000 and $13,330,000, respectively. The proceeds from the sale of the 2016A Bonds and a prior reserve fund will be used to: (i) refund, on a current refunding basis: (a) all of the District’s Senior Limited Tax Refunding Loan, Series 2013A (the “2013A Loan”); (b) a portion of the District’s Subordinate Limited Tax Revenue Refunding Bonds, Series 2013B (the “2013B Bonds” and together with the 2013A Loan, the “Refunded Bonds”); (ii) fund the Reserve Fund; (iii) partially fund the Surplus Fund; and (iv) pay the costs of issuing the Bonds. The proceeds from the sale of the 2016B Bonds will be used to refund a portion of the Refunded Bonds.

The 2016A Bonds are assumed to bear interest at rates ranging from 5.50% to 5.75% payable semi-annually on June 1 and December 1, beginning on June 1, 2017. Annual mandatory sinking fund principal payments on the 2016A Bonds are due on December 1, beginning on December 1, 2020. The 2016A Bonds mature on December 1, 2046.

The 2016A Bonds are also subject to redemption prior to maturity, at the option of the District, on any date on or after December 1, 2021, as follows:

Redemption Date	Redemption Premium
December 1, 2021 to and including November 30, 2022	3.0%
December 1, 2022 to and including November 30, 2023	2.0
December 1, 2023 to and including November 30, 2024	1.0
December 1, 2024 and thereafter	0.0

NOTE 11) DEBT SERVICE (continued)

The 2016B Bonds are assumed to be issued at the rate of 6.5% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The 2016B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2016B Bonds compounds annually on each December 15. In the event any amounts due and owing on the 2016B Subordinate Bonds remain outstanding on December 15, 2048, such amounts shall be extinguished and no longer be due and outstanding.

The 2016B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, on December 15, 2021, and on any date thereafter, upon payment of par and accrued interest, at the following price.

Redemption Date	Redemption Premium
December 1, 2021 to and including November 30, 2022	3.0%
December 1, 2022 to and including November 30, 2023	2.0
December 1, 2023 to and including November 30, 2024	1.0
December 1, 2024 and thereafter	0.0

The 2016A Bonds are secured by and payable solely from and to the extent of Pledged Revenue which is defined generally in the 2016A Indenture as:

(a) the Required Mill Levy;

(b) the Specific Ownership Tax Revenue;

(c) the Capital Facility Fee Revenue;

(d) the Capital Levy Revenue (from which Shortfalls shall be paid); and

(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue;

If Pledged Revenue is insufficient to pay the debt service requirement on the 2016A Bonds in any year, a different flow of funds and associated funding requirements will apply as determined by the Levels defined in the Indenture.

The 2016A Bonds are further secured by the Reserve Fund, which will initially be funded in the amount of $654,168 and by the Surplus Fund, which will initially be funded in the Maximum Surplus Amount of $2,000,000. At such time as the Senior Debt to Assessed Ratio is equal to or less than 50%, the Maximum Surplus Amount is reduced to $1,000,000. During certain periods described in the 2016A Indenture, amounts on deposit in the Surplus Fund in excess of $1,000,000, if any, are to be applied to the Annual Debt Service Requirements. All remaining amounts in the Surplus Fund may also be used to pay Annual Debt Service Requirements during certain other periods described in the 2016A Indenture.

NOTE 11) DEBT SERVICE (continued)

The 2016B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which includes monies derived from the following, net of costs of collection:

(a) the Subordinate Required Mill Levy;

(b) the portion of the Specific Ownership Tax Revenue which is collected as a result of imposition of the Subordinate Required Mill Levy;

(c) the Subordinate Capital Facility Fee Revenue;

(d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue;

The Subordinate Indenture defines the Subordinate Require Mill Levy as a mill levy imposed equal to 37.5 mills, as adjusted, less the Senior Bond Mill Levy.

While the forecast combines the mill levies and flow of funds generated from the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2016A Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2016B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2016A Senior Bonds.

Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts and related interest earned, Reserve Fund amounts and related interest thereon, and other related debt service costs for the proposed Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuances of the District.

NOTE 12) PROJECTION OF HYPOTHETICAL ASSUMPTIONS WITH LIMITED DEVELOPMENT TO OCCUR AND A 2% BIENNIAL REASSESSMENT RATE

For purposes of analyzing the repayment of the 2016A Bonds, the District projected cash receipts and disbursements of the District's Debt Service Fund only, as displayed on Pages A1 through A16. The projection assumes development of Building 4AB/5 and Building 7/8 only, which the Developer believes is an improbable assumption. The biennial reassessment of residential and commercial property is reduced to 2.0%. The limited development hypothetical assumes that the imposition of the mill levy of 37.5 mills by the District plus Shortfall Payments from District No. 1, approximating 28 mills, are needed to pay debt service on the 2016A Bonds through December 1, 2046. The 2016B Bonds cannot be repaid in this analysis.

The District's General Fund, District No. 1's General Fund, and District No. 1's Developer Advances are not displayed in this projection.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

			Cash Receipts							
Collection Year	Total Assessed Value (See Page A11)	Mill Levy	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	Facility Fee Revenue (See Page A15)	2016A Bonds Proceeds Deposited to Surplus Fund (See Page A16)	Shortfall Payment from District No. 1: District No. 1 Mill Levy	Shortfall Payment from District No. 1: Amount	**Total Cash Receipts**	Cash Available for Debt Service (To Page A2)
2016	36,994,950	37.50	1,311,009	39,330	30,900	2,000,000			3,381,239	3,381,239
2017	36,709,840	37.50	1,300,905	39,027	154,500				1,494,432	1,503,712
2018	30,170,738	37.50	1,069,176	32,075	252,350				1,353,601	1,353,601
2019	32,325,827	37.50	1,145,546	34,366	231,750				1,411,662	1,411,662
2020	36,615,603	37.50	1,297,565	38,927	-		25.156	443,193	1,779,685	1,779,685
2021	41,628,538	37.50	1,475,211	44,256	-		28.635	527,537	2,047,004	2,047,004
2022	43,742,075	37.50	1,550,110	46,503	-		28.456	534,716	2,131,329	2,131,329
2023	43,742,075	37.50	1,550,110	46,503	-		28.659	538,541	2,135,154	2,135,154
2024	44,616,917	37.50	1,581,112	47,433	-		28.646	549,059	2,177,604	2,177,604
2025	44,616,917	37.50	1,581,112	47,433	-		28.587	547,934	2,176,479	2,176,479
2026	45,509,255	37.50	1,612,734	48,382	-		28.535	557,863	2,218,979	2,218,979
2027	45,509,255	37.50	1,612,734	48,382	-		28.466	556,513	2,217,629	2,217,629
2028	46,419,440	37.50	1,644,989	49,350	-		28.598	570,290	2,264,629	2,264,629
2029	46,419,440	37.50	1,644,989	49,350	-		28.478	567,890	2,262,229	2,262,229
2030	47,347,829	37.50	1,677,889	50,337	-		28.499	579,678	2,307,904	2,307,904
2031	47,347,829	37.50	1,677,889	50,337	-		28.548	580,678	2,308,904	2,308,904
2032	48,294,786	37.50	1,711,446	51,343	-		28.662	594,640	2,357,429	2,357,429
2033	48,294,786	37.50	1,711,446	51,343	-		28.580	592,940	2,355,729	2,355,729
2034	49,260,681	37.50	1,745,675	52,370	-		28.506	603,234	2,401,279	2,401,279
2035	49,260,681	37.50	1,745,675	52,370	-		28.508	603,284	2,401,329	2,401,329
2036	50,245,895	37.50	1,780,589	53,418	-		28.681	619,072	2,453,079	2,453,079
2037	50,245,895	37.50	1,780,589	53,418	-		28.469	614,497	2,448,504	2,448,504
2038	51,250,813	37.50	1,816,201	54,486	-		28.448	626,342	2,497,029	2,497,029
2039	51,250,813	37.50	1,816,201	54,486	-		28.509	627,680	2,498,367	2,498,367
2040	52,275,829	37.50	1,852,525	55,576	-		28.575	641,716	2,549,817	2,549,817
2041	52,275,829	37.50	1,852,525	55,576	-		28.504	640,116	2,548,217	2,548,217
2042	53,321,346	37.50	1,889,575	56,687	-		28.590	654,892	2,601,154	2,601,154
2043	53,321,346	37.50	1,889,575	56,687	-		28.548	653,917	2,600,179	2,600,179
2044	54,387,773	37.50	1,927,367	57,821	-		28.577	667,691	2,652,879	2,652,879
2045	54,387,773	37.50	1,927,367	57,821	-		28.488	665,616	2,650,804	2,650,804
2046	55,475,528	31.62	1,657,645	49,729	-				1,707,374	1,707,374
			50,837,481	1,525,122	669,500	2,000,000		15,359,532	70,391,635	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

						Surplus Fund				**Cash Balances**		
Collection Year	Cash Available for Debt Service (See Page A1)	Debt Service Payments on 2013 Debt	Deposit to Refunding Escrow for 2013A Loan (See Page 26)	Net Debt Service on 2016A Bonds Par Value of $31,260,000 (See Page A16)	Cumulative Cash Available for Surplus Fund	Transfer to (Release From)	Surplus Release	Cumulative Surplus Fund Balance $2,000,000	**Total Cash Disbursements and Net Transfers**	Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	Collection Year
2016	3,381,239	1,216,940	155,019		2,009,280	2,000,000		2,000,000	3,371,959	9,280	9,280	2016
2017	1,503,712			1,663,623	(169,191)	(159,911)		1,840,089	1,503,712	(9,280)	-	2017
2018	1,353,601			1,766,679	(413,078)	(413,078)		1,427,011	1,353,601	-	-	2018
2019	1,411,662			1,766,679	(355,017)	(355,017)		1,071,994	1,411,662	-	-	2019
2020	1,779,685			1,851,679	(71,994)	(71,994)		1,000,000	1,779,685	-	-	2020
2021	2,047,004			2,047,004	-			1,000,000	2,047,004	-	-	2021
2022	2,131,329			2,131,329	-			1,000,000	2,131,329	-	-	2022
2023	2,135,154			2,135,154	-			1,000,000	2,135,154	-	-	2023
2024	2,177,604			2,177,604	-			1,000,000	2,177,604	-	-	2024
2025	2,176,479			2,176,479	-			1,000,000	2,176,479	-	-	2025
2026	2,218,979			2,218,979	-			1,000,000	2,218,979	-	-	2026
2027	2,217,629			2,217,629	-			1,000,000	2,217,629	-	-	2027
2028	2,264,629			2,264,629	-			1,000,000	2,264,629	-	-	2028
2029	2,262,229			2,262,229	-			1,000,000	2,262,229	-	-	2029
2030	2,307,904			2,307,904	-			1,000,000	2,307,904	-	-	2030
2031	2,308,904			2,308,904	-			1,000,000	2,308,904	-	-	2031
2032	2,357,429			2,357,429	-			1,000,000	2,357,429	-	-	2032
2033	2,355,729			2,355,729	-			1,000,000	2,355,729	-	-	2033
2034	2,401,279			2,401,279	-			1,000,000	2,401,279	-	-	2034
2035	2,401,329			2,401,329	-			1,000,000	2,401,329	-	-	2035
2036	2,453,079			2,453,079	-			1,000,000	2,453,079	-	-	2036
2037	2,448,504			2,448,504	-			1,000,000	2,448,504	-	-	2037
2038	2,497,029			2,497,029	-			1,000,000	2,497,029	-	-	2038
2039	2,498,367			2,498,367	-			1,000,000	2,498,367	-	-	2039
2040	2,549,817			2,549,817	-			1,000,000	2,549,817	-	-	2040
2041	2,548,217			2,548,217	-			1,000,000	2,548,217	-	-	2041
2042	2,601,154			2,601,154	-			1,000,000	2,601,154	-	-	2042
2043	2,600,179			2,600,179	-			1,000,000	2,600,179	-	-	2043
2044	2,652,879			2,652,879	-			1,000,000	2,652,879	-	-	2044
2045	2,650,804			2,650,804	-			1,000,000	2,650,804	-	-	2045
2046	1,707,374			2,707,374	(1,000,000)		(1,000,000)	-	1,707,374	-	-	2046
		1,216,940	155,019	69,019,676		1,000,000	(1,000,000)		70,391,635	-		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF DEBT COVERAGE

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

	District No. 2						District No. 1							
Collection Year	Total Assessed Value (See Page A11)	Maximum Mill Levy	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	Facility Fees (See Page A15	**Total Cash Receipts**	Total Assessed Value (See Page A14)	Maximum Mill Levy	Net Property Taxes 94.50%	Specific Ownership Taxes 3.00%	**Total Cash Receipts**	Combined Total Cash Receipts	Net Debt Service 2016A Bonds (See Page A16)	**Debt Coverage**
2016						-					-	-	-	
2017	36,709,840	43.50	1,509,050	45,272	154,500	1,708,822	2,580,880	43.50	106,094	3,183	109,277	1,818,099	1,663,623	109%
2018	30,170,738	43.50	1,240,244	37,207	252,350	1,529,801	5,555,861	43.50	228,388	6,852	235,240	1,765,041	1,766,679	100%
2019	32,325,827	43.50	1,328,834	39,865	231,750	1,600,449	9,671,164	43.50	397,557	11,927	409,484	2,009,933	1,766,679	114%
2020	36,615,603	43.50	1,505,176	45,155	-	1,550,331	18,100,096	43.50	744,050	22,322	766,372	2,316,703	1,851,679	125%
2021	41,628,538	43.50	1,711,245	51,337	-	1,762,582	18,927,080	43.50	778,045	23,341	801,386	2,563,968	2,047,004	125%
2022	43,742,075	43.50	1,798,127	53,944	-	1,852,071	19,305,622	43.50	793,606	23,808	817,414	2,669,485	2,131,329	125%
2023	43,742,075	43.50	1,798,127	53,944	-	1,852,071	19,305,622	43.50	793,606	23,808	817,414	2,669,485	2,135,154	125%
2024	44,616,917	43.50	1,834,090	55,023	-	1,889,113	19,691,734	43.50	809,478	24,284	833,762	2,722,875	2,177,604	125%
2025	44,616,917	43.50	1,834,090	55,023	-	1,889,113	19,691,734	43.50	809,478	24,284	833,762	2,722,875	2,176,479	125%
2026	45,509,255	43.50	1,870,772	56,123	-	1,926,895	20,085,569	43.50	825,668	24,770	850,438	2,777,333	2,218,979	125%
2027	45,509,255	43.50	1,870,772	56,123	-	1,926,895	20,085,569	43.50	825,668	24,770	850,438	2,777,333	2,217,629	125%
2028	46,419,440	43.50	1,908,187	57,246	-	1,965,433	20,487,280	43.50	842,181	25,265	867,446	2,832,879	2,264,629	125%
2029	46,419,440	43.50	1,908,187	57,246	-	1,965,433	20,487,280	43.50	842,181	25,265	867,446	2,832,879	2,262,229	125%
2030	47,347,829	43.50	1,946,351	58,391	-	2,004,742	20,897,026	43.50	859,024	25,771	884,795	2,889,537	2,307,904	125%
2031	47,347,829	43.50	1,946,351	58,391	-	2,004,742	20,897,026	43.50	859,024	25,771	884,795	2,889,537	2,308,904	125%
2032	48,294,786	43.50	1,985,278	59,558	-	2,044,836	21,314,966	43.50	876,205	26,286	902,491	2,947,327	2,357,429	125%
2033	48,294,786	43.50	1,985,278	59,558	-	2,044,836	21,314,966	43.50	876,205	26,286	902,491	2,947,327	2,355,729	125%
2034	49,260,681	43.50	2,024,983	60,749	-	2,085,732	21,741,266	43.50	893,729	26,812	920,541	3,006,273	2,401,279	125%
2035	49,260,681	43.50	2,024,983	60,749	-	2,085,732	21,741,266	43.50	893,729	26,812	920,541	3,006,273	2,401,329	125%
2036	50,245,895	43.50	2,065,483	61,964	-	2,127,447	22,176,091	43.50	911,604	27,348	938,952	3,066,399	2,453,079	125%
2037	50,245,895	43.50	2,065,483	61,964	-	2,127,447	22,176,091	43.50	911,604	27,348	938,952	3,066,399	2,448,504	125%
2038	51,250,813	43.50	2,106,793	63,204	-	2,169,997	22,619,613	43.50	929,836	27,895	957,731	3,127,728	2,497,029	125%
2039	51,250,813	43.50	2,106,793	63,204	-	2,169,997	22,619,613	43.50	929,836	27,895	957,731	3,127,728	2,498,367	125%
2040	52,275,829	43.50	2,148,929	64,468	-	2,213,397	23,072,005	43.50	948,432	28,453	976,885	3,190,282	2,549,817	125%
2041	52,275,829	43.50	2,148,929	64,468	-	2,213,397	23,072,005	43.50	948,432	28,453	976,885	3,190,282	2,548,217	125%
2042	53,321,346	43.50	2,191,907	65,757	-	2,257,664	23,533,445	43.50	967,401	29,022	996,423	3,254,087	2,601,154	125%
2043	53,321,346	43.50	2,191,907	65,757	-	2,257,664	23,533,445	43.50	967,401	29,022	996,423	3,254,087	2,600,179	125%
2044	54,387,773	43.50	2,235,745	67,072	-	2,302,817	24,004,114	43.50	986,749	29,602	1,016,351	3,319,168	2,652,879	125%
2045	54,387,773	43.50	2,235,745	67,072	-	2,302,817	24,004,114	43.50	986,749	29,602	1,016,351	3,319,168	2,650,804	125%
2046	55,475,528	43.50	2,280,460	68,414	-	2,348,874	24,484,196	43.50	1,006,484	30,195	1,036,679	3,385,553	2,707,374	125%
			60,088,759	1,802,662	638,600	62,530,021			25,554,928	766,647	26,321,575	88,851,596	69,019,676	

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF EXISTING ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Residential		Commercial		Total	
	Building	Market Value	Assessed Value 7.96%	Market Value	Assessed Value 29.00%	Market Value	Assessed Value
Existing Buildings	13A (Lot 9)	95,163,200	7,574,991	4,723,100	1,369,699	99,886,300	8,944,690
	2C (lot 1)	14,565,500	1,159,414	15,500	4,495	14,581,000	1,163,909
	2B (lot 1)	15,137,600	1,204,953	7,700	2,233	15,145,300	1,207,186
	2A (lot1)	24,300,600	1,934,328	21,500	6,235	24,322,100	1,940,563
	1 (lot 1)	17,889,900	1,424,036	8,132,000	2,358,280	26,021,900	3,782,316
	3ABC/DE			329,100	95,439	329,100	95,439
	3ABC/DE			842,800	244,412	842,800	244,412
	State assessed			328,790	95,349	328,790	95,349
	State assessed personal property			36,700	10,643	36,700	10,643
	Amerigas personal property			200	58	200	58
	Rounding	(100)	8		206	(100)	214
		167,056,700	13,297,729	14,437,390	4,187,049	181,494,090	17,484,778
Parcels to be moved to District No. 1 for collection year 2018	13A units C1-C8 Viceroy Hotel	-	-	10,080,600	2,923,374	10,080,600	2,923,374
Parcels to be removed from PUD for collection year 2018	9AB			288,300	83,607	288,300	83,607
	9C			201,700	58,493	201,700	58,493
	Phase 1 common area			50,300	14,587	50,300	14,587
		-	-	540,300	156,687	540,300	156,687
Parking garage to be removed for 2018 collection year and included in future values as developed	4AB/5	18,135,785	1,443,608	2,988,985	866,806	21,124,770	2,310,414
	7/8	27,169,830	2,162,718	11,033,190	3,199,625	38,203,020	5,362,344
		45,305,615	3,606,327	14,022,175	4,066,431	59,327,790	7,672,758
Foundations to be removed for 2018 collection year and included in future values as developed	4AB/5	954,515	75,979	157,315	45,621	1,111,830	121,601
	7/8	3,018,870	240,302	1,225,910	355,514	4,244,780	595,816
	10A			5,461,450	1,583,821	5,461,450	1,583,821
	10B			5,461,450	1,583,821	5,461,450	1,583,821
	11/12			8,112,300	2,352,567	8,112,300	2,352,567
	13B	6,773,400	539,163			6,773,400	539,163
	Fanny Hill townhomes			5,846,400	1,695,456	5,846,400	1,695,456
		10,746,785	855,444	26,264,825	7,616,799	37,011,610	8,472,243
Total existing actual value		223,109,100	17,759,500	65,345,290	18,950,340	288,454,390	36,709,840

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Residential Development														
		Building 4AB/5														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $1,830,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $251,500	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														954,515	954,515
2016	2018		18,770,000	-		1,830,000			-		251,500			-	954,515	954,515
2017	2019	50%	18,770,000	9,385,000		1,866,600			-		256,530			-	477,258	9,862,258
2018	2020	100%	-	-	18	1,903,932	90%	30,843,698	30,843,698	2	261,661	90%	470,989	470,989	-	31,314,687
2019	2021	100%	-	-				-	30,843,698				-	470,989	-	31,314,687
2020	2022	100%	-	-			10%	3,427,078	34,270,776			10%	52,332	523,321	-	34,794,097
2021	2023	100%	-	-					34,270,776					523,321	-	34,794,097
2022	2024	100%	-	-					34,270,776					523,321	-	34,794,097
2023	2025	100%	-	-					34,270,776					523,321	-	34,794,097
2024	2026	100%	-	-					34,270,776					523,321	-	34,794,097
2025	2027	100%	-	-					34,270,776					523,321	-	34,794,097
2026	2028	100%	-	-					34,270,776					523,321	-	34,794,097
2027	2029	100%	-	-					34,270,776					523,321	-	34,794,097
2028	2030	100%	-	-					34,270,776					523,321	-	34,794,097
2029	2031	100%	-	-					34,270,776					523,321	-	34,794,097
2030	2032	100%	-	-					34,270,776					523,321	-	34,794,097
2031	2033	100%	-	-					34,270,776					523,321	-	34,794,097
2032	2034	100%	-	-					34,270,776					523,321	-	34,794,097
2033	2035	100%	-	-					34,270,776					523,321	-	34,794,097
2034	2036	100%	-	-					34,270,776					523,321	-	34,794,097
2035	2037	100%	-	-					34,270,776					523,321	-	34,794,097
2036	2038	100%	-	-					34,270,776					523,321	-	34,794,097
2037	2039	100%	-	-					34,270,776					523,321	-	34,794,097
2038	2040	100%	-	-					34,270,776					523,321	-	34,794,097
2039	2041	100%	-	-					34,270,776					523,321	-	34,794,097
2040	2042	100%	-	-					34,270,776					523,321	-	34,794,097
2041	2043	100%	-	-					34,270,776					523,321	-	34,794,097
2042	2044	100%	-	-					34,270,776					523,321	-	34,794,097
2043	2045	100%	-	-					34,270,776					523,321	-	34,794,097
2044	2046	100%	-	-					34,270,776					523,321	-	34,794,097

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Residential Development														
		Building 7/8														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $2,880,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $194,100	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														3,018,870	3,018,870
2016	2018		54,800,000	-		2,880,000			-		194,100			-	3,018,870	3,018,870
2017	2019	39%	54,800,000	21,372,000		2,937,600			-		197,982			-	1,841,511	23,213,511
2018	2020	91%	54,800,000	49,868,000		2,996,352			-		201,942			-	271,698	50,139,698
2019	2021	100%	-	-	41	3,056,279	90%	112,776,697	112,776,697	4	205,980	90%	741,530	741,530	-	113,518,226
2020	2022	100%	-	-			10%	12,530,744	125,307,441			10%	82,392	823,922	-	126,131,363
2021	2023	100%	-	-					125,307,441					823,922	-	126,131,363
2022	2024	100%	-	-					125,307,441					823,922	-	126,131,363
2023	2025	100%	-	-					125,307,441					823,922	-	126,131,363
2024	2026	100%	-	-					125,307,441					823,922	-	126,131,363
2025	2027	100%	-	-					125,307,441					823,922	-	126,131,363
2026	2028	100%	-	-					125,307,441					823,922	-	126,131,363
2027	2029	100%	-	-					125,307,441					823,922	-	126,131,363
2028	2030	100%	-	-					125,307,441					823,922	-	126,131,363
2029	2031	100%	-	-					125,307,441					823,922	-	126,131,363
2030	2032	100%	-	-					125,307,441					823,922	-	126,131,363
2031	2033	100%	-	-					125,307,441					823,922	-	126,131,363
2032	2034	100%	-	-					125,307,441					823,922	-	126,131,363
2033	2035	100%	-	-					125,307,441					823,922	-	126,131,363
2034	2036	100%	-	-					125,307,441					823,922	-	126,131,363
2035	2037	100%	-	-					125,307,441					823,922	-	126,131,363
2036	2038	100%	-	-					125,307,441					823,922	-	126,131,363
2037	2039	100%	-	-					125,307,441					823,922	-	126,131,363
2038	2040	100%	-	-					125,307,441					823,922	-	126,131,363
2039	2041	100%	-	-					125,307,441					823,922	-	126,131,363
2040	2042	100%	-	-					125,307,441					823,922	-	126,131,363
2041	2043	100%	-	-					125,307,441					823,922	-	126,131,363
2042	2044	100%	-	-					125,307,441					823,922	-	126,131,363
2043	2045	100%	-	-					125,307,441					823,922	-	126,131,363
2044	2046	100%	-	-					125,307,441					823,922	-	126,131,363

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Residential Development														
		Building 13B														
			Construction Costs Value		Vacation Condos					Employee Housing						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $1,570,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Annual Number of Residential Units Sold	Sales Price Residential Per Unit $182,000	Discount Initial Year of Completion	Annual Market Value of New Units	Cumulative Market Value of New Units	Existing Market Value	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%					
2015	2017														6,773,400	6,773,400
2016	2018			-		1,570,000			-		182,000			-	6,773,400	6,773,400
2017	2019		-	-		1,601,400			-		185,640			-	6,773,400	6,773,400
2018	2020		-	-		1,633,428			-		189,353			-	6,773,400	6,773,400
2019	2021		-	-		1,666,097			-		193,140			-	6,773,400	6,773,400
2020	2022		-	-		1,699,418		-	-		197,003		-	-	6,773,400	6,773,400
2021	2023		-	-				-	-				-	-	6,773,400	6,773,400
2022	2024		-	-				-	-				-	-	6,773,400	6,773,400
2023	2025		-	-					-					-	6,773,400	6,773,400
2024	2026		-	-					-					-	6,773,400	6,773,400
2025	2027		-	-					-					-	6,773,400	6,773,400
2026	2028		-	-					-					-	6,773,400	6,773,400
2027	2029		-	-					-					-	6,773,400	6,773,400
2028	2030		-	-					-					-	6,773,400	6,773,400
2029	2031		-	-					-					-	6,773,400	6,773,400
2030	2032		-	-					-					-	6,773,400	6,773,400
2031	2033		-	-					-					-	6,773,400	6,773,400
2032	2034		-	-					-					-	6,773,400	6,773,400
2033	2035		-	-					-					-	6,773,400	6,773,400
2034	2036		-	-					-					-	6,773,400	6,773,400
2035	2037		-	-					-					-	6,773,400	6,773,400
2036	2038		-	-					-					-	6,773,400	6,773,400
2037	2039		-	-					-					-	6,773,400	6,773,400
2038	2040		-	-					-					-	6,773,400	6,773,400
2039	2041		-	-					-					-	6,773,400	6,773,400
2040	2042		-	-					-					-	6,773,400	6,773,400
2041	2043		-	-					-					-	6,773,400	6,773,400
2042	2044		-	-					-					-	6,773,400	6,773,400
2043	2045		-	-					-					-	6,773,400	6,773,400
2044	2046		-	-					-					-	6,773,400	6,773,400

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

Construction Year	Collection Year	Total Number of New Residential Units	Total Cumulative Market Value	Other Cumulative Existing Market Value	Cumulative Parking Garage Market Value	Estimated Biennial Revaluation per State Statute		Total Residential Cumulative Market Value	Estimated Residential Assessment Ratio	**RESIDENTIAL ASSESSED VALUATION** (To Page A11)
						Rate	Amount			
2015	2017	-	10,746,785	167,056,700	45,305,615		-	**223,109,100**	7.96%	**17,759,500**
2016	2018	-	10,746,785	167,056,700	-	2.00%	4,462,182	182,265,667	7.96%	14,508,347
2017	2019	-	39,849,168	167,056,700	-		-	211,368,050	7.96%	16,824,897
2018	2020	20	88,227,786	167,056,700	-	2.00%	4,227,361	263,974,029	7.96%	21,012,333
2019	2021	45	151,606,314	167,056,700	-		-	327,352,557	7.96%	26,057,264
2020	2022	-	167,698,860	167,056,700	-	2.00%	6,547,051	349,992,154	7.96%	27,859,375
2021	2023	-	167,698,860	167,056,700	-		-	349,992,154	7.96%	27,859,375
2022	2024	-	167,698,860	167,056,700	-	2.00%	6,999,843	356,991,997	7.96%	28,416,563
2023	2025	-	167,698,860	167,056,700	-		-	356,991,997	7.96%	28,416,563
2024	2026	-	167,698,860	167,056,700	-	2.00%	7,139,840	364,131,837	7.96%	28,984,894
2025	2027	-	167,698,860	167,056,700	-		-	364,131,837	7.96%	28,984,894
2026	2028	-	167,698,860	167,056,700	-	2.00%	7,282,637	371,414,474	7.96%	29,564,592
2027	2029	-	167,698,860	167,056,700	-		-	371,414,474	7.96%	29,564,592
2028	2030	-	167,698,860	167,056,700	-	2.00%	7,428,289	378,842,763	7.96%	30,155,884
2029	2031	-	167,698,860	167,056,700	-		-	378,842,763	7.96%	30,155,884
2030	2032	-	167,698,860	167,056,700	-	2.00%	7,576,855	386,419,618	7.96%	30,759,002
2031	2033	-	167,698,860	167,056,700	-		-	386,419,618	7.96%	30,759,002
2032	2034	-	167,698,860	167,056,700	-	2.00%	7,728,392	394,148,011	7.96%	31,374,182
2033	2035	-	167,698,860	167,056,700	-		-	394,148,011	7.96%	31,374,182
2034	2036	-	167,698,860	167,056,700	-	2.00%	7,882,960	402,030,971	7.96%	32,001,665
2035	2037	-	167,698,860	167,056,700	-		-	402,030,971	7.96%	32,001,665
2036	2038	-	167,698,860	167,056,700	-	2.00%	8,040,619	410,071,590	7.96%	32,641,699
2037	2039	-	167,698,860	167,056,700	-		-	410,071,590	7.96%	32,641,699
2038	2040	-	167,698,860	167,056,700	-	2.00%	8,201,432	418,273,022	7.96%	33,294,533
2039	2041	-	167,698,860	167,056,700	-		-	418,273,022	7.96%	33,294,533
2040	2042	-	167,698,860	167,056,700	-	2.00%	8,365,460	426,638,483	7.96%	33,960,423
2041	2043	-	167,698,860	167,056,700	-		-	426,638,483	7.96%	33,960,423
2042	2044	-	167,698,860	167,056,700	-	2.00%	8,532,770	435,171,252	7.96%	34,639,632
2043	2045	-	167,698,860	167,056,700	-		-	435,171,252	7.96%	34,639,632
2044	2046	-	167,698,860	167,056,700	-	2.00%	8,703,425	443,874,677	7.96%	35,332,424

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Commercial Development														
		Building 4AB/5			**Building 7/8**			**Building 10A**			**Building 10B**			**Building 11/12**		
Construction Year	Collection Year	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value	Percent Complete	Existing Market Value	Total Cumulative Market Value
2015	2017	0%	157,315	157,315	0%	1,225,910	1,225,910	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2016	2018	0%	157,315	157,315	0%	1,225,910	1,225,910	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2017	2019	50%	78,658	78,658	39%	747,805	747,805	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2018	2020	100%	-	-	91%	110,332	110,332	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2019	2021	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2020	2022	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2021	2023	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2022	2024	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2023	2025	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2024	2026	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2025	2027	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2026	2028	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2027	2029	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2028	2030	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2029	2031	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2030	2032	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2031	2033	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2032	2034	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2033	2035	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2034	2036	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2035	2037	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2036	2038	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2037	2039	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2038	2040	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2039	2041	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2040	2042	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2041	2043	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2042	2044	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2043	2045	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300
2044	2046	100%	-	-	100%	-	-	0%	5,461,450	5,461,450	0%	5,461,450	5,461,450	0%	8,112,300	8,112,300

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Commercial Development								
		Fanny Hill Townhomes			Parking Garage					
Construction Year	Collection Year	Percent Complete	Existing Market Value	Total Cumulative Market Value	Number of Parking Spaces	Value per Parking Space $111,103	Annual Market Value of New Spaces	Cumulative Market Value of New Spaces	Existing Market Value	Total Cumulative Market Value
2015	2017	0%	5,846,400	5,846,400					14,022,175	14,022,175
2016	2018	0%	5,846,400	5,846,400	108	111,103	11,999,124	11,999,124		11,999,124
2017	2019	0%	5,846,400	5,846,400				11,999,124		11,999,124
2018	2020	0%	5,846,400	5,846,400				11,999,124		11,999,124
2019	2021	0%	5,846,400	5,846,400				11,999,124		11,999,124
2020	2022	0%	5,846,400	5,846,400				11,999,124		11,999,124
2021	2023	0%	5,846,400	5,846,400				11,999,124		11,999,124
2022	2024	0%	5,846,400	5,846,400				11,999,124		11,999,124
2023	2025	0%	5,846,400	5,846,400				11,999,124		11,999,124
2024	2026	0%	5,846,400	5,846,400				11,999,124		11,999,124
2025	2027	0%	5,846,400	5,846,400				11,999,124		11,999,124
2026	2028	0%	5,846,400	5,846,400				11,999,124		11,999,124
2027	2029	0%	5,846,400	5,846,400				11,999,124		11,999,124
2028	2030	0%	5,846,400	5,846,400				11,999,124		11,999,124
2029	2031	0%	5,846,400	5,846,400				11,999,124		11,999,124
2030	2032	0%	5,846,400	5,846,400				11,999,124		11,999,124
2031	2033	0%	5,846,400	5,846,400				11,999,124		11,999,124
2032	2034	0%	5,846,400	5,846,400				11,999,124		11,999,124
2033	2035	0%	5,846,400	5,846,400				11,999,124		11,999,124
2034	2036	0%	5,846,400	5,846,400				11,999,124		11,999,124
2035	2037	0%	5,846,400	5,846,400				11,999,124		11,999,124
2036	2038	0%	5,846,400	5,846,400				11,999,124		11,999,124
2037	2039	0%	5,846,400	5,846,400				11,999,124		11,999,124
2038	2040	0%	5,846,400	5,846,400				11,999,124		11,999,124
2039	2041	0%	5,846,400	5,846,400				11,999,124		11,999,124
2040	2042	0%	5,846,400	5,846,400				11,999,124		11,999,124
2041	2043	0%	5,846,400	5,846,400				11,999,124		11,999,124
2042	2044	0%	5,846,400	5,846,400				11,999,124		11,999,124
2043	2045	0%	5,846,400	5,846,400				11,999,124		11,999,124
2044	2046	0%	5,846,400	5,846,400				11,999,124		11,999,124

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

Construction Year	Collection Year	Total Cumulative Market Value	Market Values to be Removed from PUD	Market Values Moved to District No. 1 (See Page A14)	Other Cumulative Existing Market Value	Estimated Biennial Revaluation per State Statute		Total Commercial Cumulative Market Value	Estimated Commercial Assessment Ratio	COMMERCIAL ASSESSED VALUATION	RESIDENTIAL ASSESSED VALUATION (See Page A8)	TOTAL ASSESSED VALUATION (To Pages A1 & A3)
						Rate	Amount					
2015	2017	40,287,000	540,300	10,080,600	14,437,390		-	**65,345,290**	29.00%	**18,950,340**	**17,759,500**	**36,709,840**
2016	2018	38,263,949			14,437,390	2.00%	1,306,906	54,008,245	29.00%	15,662,391	14,508,347	30,170,738
2017	2019	37,707,187			14,437,390		-	53,451,482	29.00%	15,500,930	16,824,897	32,325,827
2018	2020	36,991,056			14,437,390	2.00%	1,069,030	53,804,381	29.00%	15,603,271	21,012,333	36,615,603
2019	2021	36,880,724			14,437,390		-	53,694,049	29.00%	15,571,274	26,057,264	41,628,538
2020	2022	36,880,724			14,437,390	2.00%	1,073,881	54,767,930	29.00%	15,882,700	27,859,375	43,742,075
2021	2023	36,880,724			14,437,390		-	54,767,930	29.00%	15,882,700	27,859,375	43,742,075
2022	2024	36,880,724			14,437,390	2.00%	1,095,359	55,863,289	29.00%	16,200,354	28,416,563	44,616,917
2023	2025	36,880,724			14,437,390		-	55,863,289	29.00%	16,200,354	28,416,563	44,616,917
2024	2026	36,880,724			14,437,390	2.00%	1,117,266	56,980,555	29.00%	16,524,361	28,984,894	45,509,255
2025	2027	36,880,724			14,437,390		-	56,980,555	29.00%	16,524,361	28,984,894	45,509,255
2026	2028	36,880,724			14,437,390	2.00%	1,139,611	58,120,166	29.00%	16,854,848	29,564,592	46,419,440
2027	2029	36,880,724			14,437,390		-	58,120,166	29.00%	16,854,848	29,564,592	46,419,440
2028	2030	36,880,724			14,437,390	2.00%	1,162,403	59,282,569	29.00%	17,191,945	30,155,884	47,347,829
2029	2031	36,880,724			14,437,390		-	59,282,569	29.00%	17,191,945	30,155,884	47,347,829
2030	2032	36,880,724			14,437,390	2.00%	1,185,651	60,468,221	29.00%	17,535,784	30,759,002	48,294,786
2031	2033	36,880,724			14,437,390		-	60,468,221	29.00%	17,535,784	30,759,002	48,294,786
2032	2034	36,880,724			14,437,390	2.00%	1,209,364	61,677,585	29.00%	17,886,500	31,374,182	49,260,681
2033	2035	36,880,724			14,437,390		-	61,677,585	29.00%	17,886,500	31,374,182	49,260,681
2034	2036	36,880,724			14,437,390	2.00%	1,233,552	62,911,137	29.00%	18,244,230	32,001,665	50,245,895
2035	2037	36,880,724			14,437,390		-	62,911,137	29.00%	18,244,230	32,001,665	50,245,895
2036	2038	36,880,724			14,437,390	2.00%	1,258,223	64,169,359	29.00%	18,609,114	32,641,699	51,250,813
2037	2039	36,880,724			14,437,390		-	64,169,359	29.00%	18,609,114	32,641,699	51,250,813
2038	2040	36,880,724			14,437,390	2.00%	1,283,387	65,452,747	29.00%	18,981,297	33,294,533	52,275,829
2039	2041	36,880,724			14,437,390		-	65,452,747	29.00%	18,981,297	33,294,533	52,275,829
2040	2042	36,880,724			14,437,390	2.00%	1,309,055	66,761,802	29.00%	19,360,922	33,960,423	53,321,346
2041	2043	36,880,724			14,437,390		-	66,761,802	29.00%	19,360,922	33,960,423	53,321,346
2042	2044	36,880,724			14,437,390	2.00%	1,335,236	68,097,038	29.00%	19,748,141	34,639,632	54,387,773
2043	2045	36,880,724			14,437,390		-	68,097,038	29.00%	19,748,141	34,639,632	54,387,773
2044	2046	36,880,724			14,437,390	2.00%	1,361,941	69,458,978	29.00%	20,143,104	35,332,424	55,475,528

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

			Base Village Metropolitan District No. 1 - Commercial Development												
			Building 4AB/5												
			Construction Costs Value		Hotel					Retail					
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Rooms Developed	Market Value Per Room $320,000	Discount Initial Year of Completion	Annual Market Value of New Rooms	Cumulative Market Value of New Hotel	Annual Number of Sq. Ft. Developed	Market Value Per Sq. Ft. $290	Discount Initial Year of Completion	Annual Market Value of New Retail	Cumulative Market Value of New Retail	Total Cumulative Market Value
Inflation compounded annually at						2.0%					2.0%				
2015	2017	0%													-
2016	2018	0%	27,110,000	-		320,000			-		290			-	-
2017	2019	50%	27,110,000	13,555,000		326,400			-		296			-	13,555,000
2018	2020	100%	-	-	102	332,928	100%	33,958,656	33,958,656	23,688	302	100%	7,147,049	7,147,049	41,105,705
2019	2021	100%	-	-				-	33,958,656				-	7,147,049	41,105,705
2020	2022	100%	-	-				-	33,958,656				-	7,147,049	41,105,705
2021	2023	100%	-	-					33,958,656					7,147,049	41,105,705
2022	2024	100%	-	-					33,958,656					7,147,049	41,105,705
2023	2025	100%	-	-					33,958,656					7,147,049	41,105,705
2024	2026	100%	-	-					33,958,656					7,147,049	41,105,705
2025	2027	100%	-	-					33,958,656					7,147,049	41,105,705
2026	2028	100%	-	-					33,958,656					7,147,049	41,105,705
2027	2029	100%	-	-					33,958,656					7,147,049	41,105,705
2028	2030	100%	-	-					33,958,656					7,147,049	41,105,705
2029	2031	100%	-	-					33,958,656					7,147,049	41,105,705
2030	2032	100%	-	-					33,958,656					7,147,049	41,105,705
2031	2033	100%	-	-					33,958,656					7,147,049	41,105,705
2032	2034	100%	-	-					33,958,656					7,147,049	41,105,705
2033	2035	100%	-	-					33,958,656					7,147,049	41,105,705
2034	2036	100%	-	-					33,958,656					7,147,049	41,105,705
2035	2037	100%	-	-					33,958,656					7,147,049	41,105,705
2036	2038	100%	-	-					33,958,656					7,147,049	41,105,705
2037	2039	100%	-	-					33,958,656					7,147,049	41,105,705
2038	2040	100%	-	-					33,958,656					7,147,049	41,105,705
2039	2041	100%	-	-					33,958,656					7,147,049	41,105,705
2040	2042	100%	-	-					33,958,656					7,147,049	41,105,705
2041	2043	100%	-	-					33,958,656					7,147,049	41,105,705
2042	2044	100%	-	-					33,958,656					7,147,049	41,105,705
2043	2045	100%	-	-					33,958,656					7,147,049	41,105,705
2044	2046	100%	-	-					33,958,656					7,147,049	41,105,705

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

		Base Village Metropolitan District No. 1 - Commercial Development									
		Building 7/8									
			Construction Costs Value		Retail						
Construction Year	Collection Year	Percent Complete	Building Permit Estimated Construction Cost	Cumulative Building Permit Value	Annual Number of Sq. Ft. Developed	Market Value Per Sq. Ft. $290	Discount Initial Year of Completion	Annual Market Value of New Retail	Cumulative Market Value of New Retail	Total Cumulative Market Value
Inflation compounded annually at						2.0%				
2015	2017	0%								-
2016	2018	0%	1,630,000	-		290			-	-
2017	2019	39%	1,630,000	635,700		296			-	635,700
2018	2020	91%	1,630,000	1,483,300		302			-	1,483,300
2019	2021	100%	-	-	14,086	308	100%	4,334,971	4,334,971	4,334,971
2020	2022	100%	-	-					4,334,971	4,334,971
2021	2023	100%	-	-					4,334,971	4,334,971
2022	2024	100%	-	-					4,334,971	4,334,971
2023	2025	100%	-	-					4,334,971	4,334,971
2024	2026	100%	-	-					4,334,971	4,334,971
2025	2027	100%	-	-					4,334,971	4,334,971
2026	2028	100%	-	-					4,334,971	4,334,971
2027	2029	100%	-	-					4,334,971	4,334,971
2028	2030	100%	-	-					4,334,971	4,334,971
2029	2031	100%	-	-					4,334,971	4,334,971
2030	2032	100%	-	-					4,334,971	4,334,971
2031	2033	100%	-	-					4,334,971	4,334,971
2032	2034	100%	-	-					4,334,971	4,334,971
2033	2035	100%	-	-					4,334,971	4,334,971
2034	2036	100%	-	-					4,334,971	4,334,971
2035	2037	100%	-	-					4,334,971	4,334,971
2036	2038	100%	-	-					4,334,971	4,334,971
2037	2039	100%	-	-					4,334,971	4,334,971
2038	2040	100%	-	-					4,334,971	4,334,971
2039	2041	100%	-	-					4,334,971	4,334,971
2040	2042	100%	-	-					4,334,971	4,334,971
2041	2043	100%	-	-					4,334,971	4,334,971
2042	2044	100%	-	-					4,334,971	4,334,971
2043	2045	100%	-	-					4,334,971	4,334,971
2044	2046	100%	-	-					4,334,971	4,334,971

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF DISTRICT NO. 1 ESTIMATED ASSESSED VALUATION

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

Construction Year	Collection Year	Total Cumulative Market Value	Market Values Moved from District No. 2 (See Page A11)	Other Cumulative Existing Market Value	Estimated Biennial Revaluation per State Statute		Total Commercial Cumulative Market Value	Estimated Commercial Assessment Ratio	**BASE VILLAGE DISTRICT NO. 1 ASSESSED VALUATION** (To Page A3)
					Rate	Amount			
2015	2017	-		8,899,550		-	**8,899,550**	29.00%	**2,580,880**
2016	2018	-	10,080,600	8,899,550	2.00%	177,991	19,158,141	29.00%	5,555,861
2017	2019	14,190,700	10,080,600	8,899,550		-	33,348,841	29.00%	9,671,164
2018	2020	42,589,005	10,080,600	8,899,550	2.00%	666,977	62,414,122	29.00%	18,100,096
2019	2021	45,440,676	10,080,600	8,899,550		-	65,265,793	29.00%	18,927,080
2020	2022	45,440,676	10,080,600	8,899,550	2.00%	1,305,316	66,571,109	29.00%	19,305,622
2021	2023	45,440,676	10,080,600	8,899,550		-	66,571,109	29.00%	19,305,622
2022	2024	45,440,676	10,080,600	8,899,550	2.00%	1,331,422	67,902,531	29.00%	19,691,734
2023	2025	45,440,676	10,080,600	8,899,550		-	67,902,531	29.00%	19,691,734
2024	2026	45,440,676	10,080,600	8,899,550	2.00%	1,358,051	69,260,582	29.00%	20,085,569
2025	2027	45,440,676	10,080,600	8,899,550		-	69,260,582	29.00%	20,085,569
2026	2028	45,440,676	10,080,600	8,899,550	2.00%	1,385,212	70,645,794	29.00%	20,487,280
2027	2029	45,440,676	10,080,600	8,899,550		-	70,645,794	29.00%	20,487,280
2028	2030	45,440,676	10,080,600	8,899,550	2.00%	1,412,916	72,058,710	29.00%	20,897,026
2029	2031	45,440,676	10,080,600	8,899,550		-	72,058,710	29.00%	20,897,026
2030	2032	45,440,676	10,080,600	8,899,550	2.00%	1,441,174	73,499,884	29.00%	21,314,966
2031	2033	45,440,676	10,080,600	8,899,550		-	73,499,884	29.00%	21,314,966
2032	2034	45,440,676	10,080,600	8,899,550	2.00%	1,469,998	74,969,882	29.00%	21,741,266
2033	2035	45,440,676	10,080,600	8,899,550		-	74,969,882	29.00%	21,741,266
2034	2036	45,440,676	10,080,600	8,899,550	2.00%	1,499,398	76,469,279	29.00%	22,176,091
2035	2037	45,440,676	10,080,600	8,899,550		-	76,469,279	29.00%	22,176,091
2036	2038	45,440,676	10,080,600	8,899,550	2.00%	1,529,386	77,998,665	29.00%	22,619,613
2037	2039	45,440,676	10,080,600	8,899,550		-	77,998,665	29.00%	22,619,613
2038	2040	45,440,676	10,080,600	8,899,550	2.00%	1,559,973	79,558,638	29.00%	23,072,005
2039	2041	45,440,676	10,080,600	8,899,550		-	79,558,638	29.00%	23,072,005
2040	2042	45,440,676	10,080,600	8,899,550	2.00%	1,591,173	81,149,811	29.00%	23,533,445
2041	2043	45,440,676	10,080,600	8,899,550		-	81,149,811	29.00%	23,533,445
2042	2044	45,440,676	10,080,600	8,899,550	2.00%	1,622,996	82,772,807	29.00%	24,004,114
2043	2045	45,440,676	10,080,600	8,899,550		-	82,772,807	29.00%	24,004,114
2044	2046	45,440,676	10,080,600	8,899,550	2.00%	1,655,456	84,428,263	29.00%	24,484,196

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED FACILITY FEE REVENUE

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

Year	Total Number of New Residential Units	Number of Unsold Residential Units in Building 13A	Total Number of Residential Units	Facility Fees at $5,150 Per Unit
				(To Page A1)
2016	-	6	6	30,900
2017	-	30	30	154,500
2018	20	29	49	252,350
2019	45		45	231,750
2020	-		-	-
2021	-		-	-
2022	-		-	-
2023	-		-	-
2024	-		-	-
2025	-		-	-
2026	-		-	-
2027	-		-	-
2028	-		-	-
2029	-		-	-
2030	-		-	-
2031	-		-	-
2032	-		-	-
2033	-		-	-
2034	-		-	-
2035	-		-	-
2036	-		-	-
2037	-		-	-
2038	-		-	-
2039	-		-	-
2040	-		-	-
2041	-		-	-
2042	-		-	-
2043	-		-	-
2044	-		-	-
2045	-		-	-
2046	-			-
	65	65	130	669,500

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 12

DEBT SERVICE FUND ONLY

SCHEDULE OF ESTIMATED 2016A BOND DEBT SERVICE REQUIREMENTS

FOR THE CALENDAR YEARS ENDING 2016 THROUGH 2046

Series 2016A Bond Issue

Dated: **December 22, 2016** **$31,260,000**

Issued: **December 22, 2016**

Interest Rate: **5.50% - 5.75%** Principal payments due on Dec. 1.

Year	Principal	Coupon	Interest	**Total Series A Bonds Debt Service**	Reduce Debt Service By Reserve Fund Interest	**Net 2016A Bonds Debt Service Payments** (To Pages A2 & A3)	Bond Principal Remaining	Year
2017			1,664,855	1,664,855	(1,232)	1,663,623	31,260,000	2017
2018			1,767,988	1,767,988	(1,308)	1,766,679	31,260,000	2018
2019			1,767,988	1,767,988	(1,308)	1,766,679	31,260,000	2019
2020	85,000	5.500%	1,767,988	1,852,988	(1,308)	1,851,679	31,175,000	2020
2021	285,000	5.500%	1,763,313	2,048,313	(1,308)	2,047,004	30,890,000	2021
2022	385,000	5.500%	1,747,638	2,132,638	(1,308)	2,131,329	30,505,000	2022
2023	410,000	5.500%	1,726,463	2,136,463	(1,308)	2,135,154	30,095,000	2023
2024	475,000	5.500%	1,703,913	2,178,913	(1,308)	2,177,604	29,620,000	2024
2025	500,000	5.500%	1,677,788	2,177,788	(1,308)	2,176,479	29,120,000	2025
2026	570,000	5.500%	1,650,288	2,220,288	(1,308)	2,218,979	28,550,000	2026
2027	600,000	5.500%	1,618,938	2,218,938	(1,308)	2,217,629	27,950,000	2027
2028	680,000	5.500%	1,585,938	2,265,938	(1,308)	2,264,629	27,270,000	2028
2029	715,000	5.500%	1,548,538	2,263,538	(1,308)	2,262,229	26,555,000	2029
2030	800,000	5.500%	1,509,213	2,309,213	(1,308)	2,307,904	25,755,000	2030
2031	845,000	5.500%	1,465,213	2,310,213	(1,308)	2,308,904	24,910,000	2031
2032	940,000	5.500%	1,418,738	2,358,738	(1,308)	2,357,429	23,970,000	2032
2033	990,000	5.500%	1,367,038	2,357,038	(1,308)	2,355,729	22,980,000	2033
2034	1,090,000	5.500%	1,312,588	2,402,588	(1,308)	2,401,279	21,890,000	2034
2035	1,150,000	5.500%	1,252,638	2,402,638	(1,308)	2,401,329	20,740,000	2035
2036	1,265,000	5.500%	1,189,388	2,454,388	(1,308)	2,453,079	19,475,000	2036
2037	1,330,000	5.750%	1,119,813	2,449,813	(1,308)	2,448,504	18,145,000	2037
2038	1,455,000	5.750%	1,043,338	2,498,338	(1,308)	2,497,029	16,690,000	2038
2039	1,540,000	5.750%	959,675	2,499,675	(1,308)	2,498,367	15,150,000	2039
2040	1,680,000	5.750%	871,125	2,551,125	(1,308)	2,549,817	13,470,000	2040
2041	1,775,000	5.750%	774,525	2,549,525	(1,308)	2,548,217	11,695,000	2041
2042	1,930,000	5.750%	672,463	2,602,463	(1,308)	2,601,154	9,765,000	2042
2043	2,040,000	5.750%	561,488	2,601,488	(1,308)	2,600,179	7,725,000	2043
2044	2,210,000	5.750%	444,188	2,654,188	(1,308)	2,652,879	5,515,000	2044
2045	2,335,000	5.750%	317,113	2,652,113	(1,308)	2,650,804	3,180,000	2045
2046	3,180,000	5.750%	182,850	3,362,850	(655,476)	2,707,374	-	2046
	31,260,000		38,453,017	69,713,017	(693,342)	69,019,676		

USE OF PROCEEDS:

Original Issue Premium	(60,567)	
2013A Debt Service Reserve Fund	(1,246,000)	
2013A debt service funds	(155,019)	
Repayment of Series 2013B Bonds	10,347,617	
Deposit to Refunding Escrow for 2013A Loan	18,477,817	
Debt Service Reserve Fund	654,168	0.20%
Surplus Fund	2,000,000	
Underwriter's Discount	678,520	
Issuance Costs	563,464	
	31,260,000	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Report.

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE REGISTERED OWNERS OF THE BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The District and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to registered owners under the Indentures, including any notice of redemption, registering the transfer of Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and will not be affected by any notice to the contrary. The District and the Trustee will not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC Direct Participant, Indirect Participant or other person not shown on the records of the Trustee as being a registered owner with respect to: the accuracy of any records maintained by DTC, any DTC Direct Participant or Indirect Participant regarding ownership interests in the Bonds; the payment by DTC, any DTC Direct Participant or Indirect Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; the delivery to any DTC Direct Participant, Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to registered owners under the Authorizing Document, including any notice of redemption; the selection by DTC, any DTC Direct Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as a registered owner.

As long as the DTC book-entry system is used for the Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered owners of Bonds only to DTC or its nominee. Any failure of DTC to advise any DTC Direct Participant, of any DTC Direct Participant to notify any Indirect Participant, of any DTC Direct Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

$31,260,000
BASE VILLAGE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF SNOWMASS VILLAGE, COLORADO)
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2016A

This Continuing Disclosure Agreement (this "Agreement") is entered into as of December 22, 2016, by and among Base Village Metropolitan District No. 2, Colorado (the "District"), Snowmass Ventures, LLC, a Delaware limited liability company (the "Developer") and UMB Bank, n.a. Denver, Colorado, as trustee (the "Trustee") under the Indenture (defined below) relating to the above captioned bonds (the "Bonds").

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by D.A. Davidson & Co. (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated as of December 16, 2016.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

"*Annual Report Date Conversion*" means the due date of the Quarterly Report which occurs after the earliest of the following: (a) the date upon which a Certificate of Occupancy (defined below) for at least 630,000 square feet of development has been issued (such number constituting approximately 95% of the total planned 663,644 square feet of development); or (b) the date upon which the Senior Debt to Assessed Ratio (as defined in the Indenture) is equal to or less than fifty percent (50%).

"*Audited Financial Statements*" means the District's most recent annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Bond Resolution*" means the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the District on November 16, 2016.

"Capital Pledge Agreement" means the Capital Pledge Agreement between the District and District No. 1 dated as of December 22, 2016.

"Certificate of Occupancy" means a certificate of occupancy issued by the Town of Snowmass Village after the date hereof for property located within the boundaries of the District or District No. 1.

"District No. 1" means Base Village Metropolitan District No. 1.

"*Indenture*" means, the Indenture of Trust dated as of December 22, 2016, between the Trustee and the District.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated December 16, 2016.

"*MSRB*" means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"*Municipal Advisor*" means an independent registered municipal advisor as defined in 17 C.F.R. Section 240.15Ba1-1(d)(1)(vi)(A).

"*Participant*" means any broker-dealer, bank, or other financial institution from time to time for which DTC (as defined in the Indentures) or another Depository (as defined in the Indentures) holds the Bonds.

"*Report*" means any report provided by the District pursuant to, and as described in, Section 3 of this Agreement.

Section 3. Requirement for Quarterly or Annual Reports.

(a) ***Provision of Information to Trustee***. The Developer and the District hereby undertake and agree to provide certain information specified below to the Trustee on the dates specified below.

(i) Timing of Reports.

A. *Quarterly Reports.* On and prior to the Annual Report Date Conversion, the Developer and the District shall provide their respective portions of the Reports to the Trustee not less than 45 days after each January 1, April 1, July 1 and October 1, commencing April 1, 2017, and such Reports are referred to herein as the "Quarterly Reports" (i.e., Quarterly Reports are due no later than February 15, May 15, August 15 and November 15, commencing May 15, 2017).

B. *Annual Reports.* After the Annual Report Date Conversion, the District shall provide Reports to the Trustee by no later than September 30 of each year, and such Reports are referred to herein as the "Annual Reports."

(ii) Contents of Reports.

A. *Quarterly Reports.* For each Quarterly Report, the Developer shall complete Section 1 of each Report, and the District shall complete Sections 2-5 of each Report (although Section 5 must be completed only on an annual basis and shall be completed with the Quarterly Report due for the quarter ending each July 1).

B. *Annual Reports.* For each Annual Report, the District shall complete Sections 2-5 of each Report.

The Trustee will provide the information required by Section 2 of the Report to the District not later than ten (10) days prior to the due date of the Report. Any or all of the items required to be updated in Appendix A may be incorporated by reference from other documents, including official statements of debt issues which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District and the Developer, as applicable, shall clearly identify each such document incorporated by reference.

(b) ***Provision of Reports to the MSRB.*** Within 10 days after receipt of each Report from the District and Developer, the Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) the Report. Each Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) above.

If the District or the Developer fails to provide to the Trustee their respective portions of each Report by the dates required in Section 3(a), which results in the Trustee's inability to provide a Report to the MSRB by the date required, the Trustee shall file or cause to be filed a notice in substantially the form attached as Appendix B with the MSRB. If the Trustee files or causes to be filed a notice in substantially the form attached as Appendix B with the MSRB, the Trustee shall submit a copy of such filing to the District and the Developer, as follows:

To the District:
Base Village Metropolitan District No. 2
c/o White Bear Ankele Tanaka & Waldron Professional Corporation
2154 E. Commons Ave., Suite 2000
Centennial, Colorado 80122
Telephone: (303) 858-1800

To the Developer: Snowmass Ventures, LLC,
in care of:

Andy Gunion
east west partners
126 Riverfront Lane, 5th Floor
P.O. Drawer 2770
Avon, CO 81620
Facsimile No.: ______________

Kevin R. Rohnstock
General Counsel and Chief Compliance Officer
KSL Capital Partners, LLC
100 Fillmore Street, Suite 600
Denver, CO 80206
Facsimile No.: 720-284-6401

Aspen Skiing Company, L.L.C.
222 North LaSalle Street
Suite 2000
Chicago, Illinois 60601
Attn: James S. Crown
Facsimile No.: (312) 899-5028
P.O. Drawer 2770

Aspen Skiing Company, L.L.C.
117 Aspen Business Center
Aspen, Colorado 81611
Attn: Rana Dershowitz
Facsimile No: (970) 300-7178

Davis Graham & Stubbs LLP
1550 17th Street Suite 500
Denver, Colorado 80202
Attn: Bruce D. Stocks
Facsimile No: (303) 893-1379

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Report or the notice described in the preceding paragraph with the MSRB, the Trustee shall upon request send a report to the District and the Developer stating the date that such Report or notice was filed and listing all the entities to which it was provided.

(c) ***Means of Transmitting Information.*** Subject to technical and economic feasibility, the District and the Developer shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. Notice of Material Events. Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) The failure or refusal by the District to impose or collect the Required Mill Levy, or to collect and apply the other components of the Pledged Revenue as required by the Indenture;

(b) The failure or refusal by District No. 1 to impose or collect the Capital Levy as required by the Capital Pledge Agreement;

(c) Any other Event of Default occurs under the Indenture, including a description of such default;

(d) A non-payment related default under the Indenture or the Capital Pledge Agreement (if the District deems such default to be material to the Owners), including a description of such default;

(e) A draw on the Surplus Fund;

(f) A draw on the Reserve Fund;

(g) A draw on the Supplemental Fund;

(h) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS From 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(i) Modifications to rights of Bond owners, if material;

(j) Bond calls and tender offers; and

(k) Defeasances.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, "actual knowledge" of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indenture or the Bonds.

Section 5. Termination.

(a) The obligations of the Developer set forth in Section 3 hereof shall terminate after the Annual Report Date Conversion. Upon the occurrence of the Annual Report Date Conversion, the Developer shall complete the Notice of Annual Report Date Conversion attached hereto as Appendix C and provide such notice to the District and the Trustee. The Trustee shall then file the Notice of Annual Report Date Conversion with the MSRB within 10 days of receipt.

(b) The obligations of the District and the Trustee as to information in Sections 2-5 of the Reports shall terminate at such time as none of the Bonds are Outstanding under each of the Indentures, respectively.

Section 6. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the District makes no representation as to the accuracy of any information provided by the Developer.

Section 7. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the majority of the Owners of the Bonds then Outstanding.

Section 8. Failure to Perform.

(a) District. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder.

(b) Developer. If the Developer fails to comply with this Agreement, the District, within 10 business days of receipt of notice in substantially the form attached as Appendix B from the Trustee, shall be obligated to update Section 1 of Appendix A, but only to the extent such information is publicly available. Further, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Developer to comply with its obligations hereunder.

Section 9. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 11. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Developer, the Trustee, the Underwriter, and the Beneficial Owners from time to time of the Bonds, shall create no rights in any other person or entity.

Section 13. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Trustee, its offers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or Report prepared by the District or the Developer pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 14. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Assignment. The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names, all as of the date first above written.

[*Signature Page Follows*]

This CONTINUING DISCLOSURE AGREEMENT is executed as of the date first set forth above.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2, Town of Snowmass Village, Colorado

By: ______________________________
Authorized Representative

UMB BANK, n.a., as Trustee

By: ______________________________
Authorized Officer

SNOWMASS VENTURES, LLC,
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A
(TO CONTINUING DISCLOSURE AGREEMENT)

FORM OF REPORT

$31,260,000
BASE VILLAGE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF SNOWMASS VILLAGE, COLORADO)
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2016A

Date of Report: _______________

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of December 22, 2016, by and among Base Village Metropolitan District No. 2, Colorado (the "District"), Snowmass Ventures, LLC, a Delaware limited liability company (the "Developer") and UMB Bank, n.a., Denver, Colorado, as trustee ("Trustee") for the above captioned bonds (the "Bonds"). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. Development Activity [Developer to complete; to be updated each quarter on and prior to the Annual Report Date Conversion].

(a) *Building Permits.* State the number of building permits which have been issued by the Town of Snowmass Village for property within the District and Base Village Metropolitan District No. 1 ("District No. 1") for the following periods: (1) since the date of issuance of the Bonds, and (2) since the date of the last Quarterly Report. For each building permit, describe the building for which the permit has been obtained, using the names of the buildings which are provided in the section of the Limited Offering Memorandum captioned "THE DEVELOPMENT – Completed, Partially Completed and Planned Buildings."

(b) *Certificates of Occupancy.* Provide the number of certificates of occupancy which have been issued by the Town of Snowmass Village for property within the District and District No. 1 for the following periods: (1) since the date of issuance of the Bonds, and (2) since the date of the last Quarterly Report. For each certificate of occupancy, describe the building for which the certificate has been obtained, using the names of the buildings which are provided in the section of the Limited Offering Memorandum captioned "THE DEVELOPMENT – Completed, Partially Completed and Planned Buildings."

(c) *Land Entitlements.* Since the date of the last Quarterly Report, have any land entitlements pertaining to property in the District and District No. 1 (e.g., zoning, platting, etc.) been changed or put into place by the Town? This includes, but is not limited to, any modifications or revisions to Town Ordinance No. 9, Series of 1915 (defined in the Limited Offering Memorandum as the "Amended PUD"). If so, describe.

(d) *Land Sales.* Since the date of the last Quarterly Report, has the Developer sold any of its property, other than residential condominium units sold to homeowners in the ordinary course of business? If so, state the amount of property, its location in the District, the name of the purchaser and the sales price.

Section 2. Inclusions and Exclusions [District to complete; to be updated each quarter on and prior to the Annual Report Date Conversion, and to be updated annually after the Annual Report Date Conversion].

(a) Since the date of the last Quarterly Report, has the District or District No. 1 included any property within its boundaries? If so, describe the included property by identifying the building within which the property is located, the square feet and the legal description of the property.

(b) Since the date of the last Quarterly Report, has the District or District No. 1 excluded any property within its boundaries? If so, describe the included property by identifying the building within which the property is located, the square feet and the legal description of the property.

Section 3. Fund Balances and Information [District to complete, based upon information received from the Trustee; to be updated each quarter on and prior to the Annual Report Date Conversion, and to be updated annually after the Annual Report Date Conversion].

(a) The amount on deposit in each of the following funds for the Bonds is as set forth below:

(i) amount on deposit in the Bond Fund is $____________;

(ii) amount on deposit in the Surplus Fund is $______________;

(iii) amount on deposit in the Supplemental Fund is $____________; and

(iv) amount on deposit in the Reserve Fund is $______________.

(b) The Surplus Maximum Adjustment Date (as defined in the definition of "Maximum Surplus Amount" in the Indenture) occurred on _______________ [fill in date] OR _____ [check if applicable] has not yet occurred.

(c) The following amounts have been disbursed from the Supplemental Fund pursuant to Section 3.11(b) of the Indenture: ___________________________ [fill in with the date and amounts of any disbursements which have been made since the date of the prior Quarterly Report, and identify the building to which the disbursement relates, as identified in Exhibit B to the Indenture].

Section 4. Authorized Denominations [District to complete; to be updated each quarter on and prior to the Annual Report Date Conversion, and to be updated annually after the Annual Report Date Conversion].

The Bonds are presently outstanding in Authorized Denominations of:

___ $500,000 and any integral multiple of $1,000 in excess thereof; or

___ Pursuant to paragraph (c) of the definition of Authorized Denomination in the 2016A Senior Indenture, the Authorized Denominations were reduced to $1,000 or any integral multiple thereof on _____________ [insert date].

Section 5. Additional District Information to be Updated [District to complete; prior to the Annual Report Conversion Date, to be provided annually with the Report due on or before August 15; after the Annual Report Conversion Date, to be provided annually with the Annual Report due on or before September 30].

(a) The District shall update the following tables included in the Limited Offering Memorandum:

1. Assessed Valuations for the Districts
2. Mill Levies for the Districts
3. Property Tax Collections in the Districts
4. Ten Largest Owners of Taxable Property within District No. 1
5. Ten Largest Owners of Taxable Property within District No. 2
6. 2016 Preliminary Assessed Valuation of Classes of Property in the Districts
7. Selected Debt Ratios of the Districts as of the Date of this Limited Offering Memorandum (only those portions of the table involving the direct debt of the District)
8. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 1 General Fund
9. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 1 Capital Projects Fund
10. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2 General Fund
11. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2 Capital Projects Fund
12. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2
13. Debt Service Fund
14. Budget Summary and Comparison – District No. 1 General Fund
15. Budget Summary and Comparison – District No. 1 Capital Projects Fund
16. Budget Summary and Comparison – District No. 2 General Fund
17. Budget Summary and Comparison – District No. 2 Debt Service Fund

(b) The following information shall be attached to the Report:

___ Audited Annual Financial Statements of the District for the previous year (20___).

___ Annual budget of the District for the current years (20___).

The information contained in this Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in this Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Report by any person or entity shall create no obligation or liability of the District, the Developer or the Trustee.

[*Remainder of Page Left Blank Intentionally*]

The undersigned hereby certify, respectively, that they are authorized representatives of the District, the Developer and the Trustee, and further certify on behalf of the following entities that the information contained in the foregoing Report (for the Developer, with respect to Section 1 only, for the District, with respect to Sections 2-5 only and for the Trustee, with respect to Section 2 only) is, to their actual knowledge, true, accurate and complete. This Report may be executed below on counterpart signature pages.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2, Town of Snowmass Village, Colorado

By: ______________________________
Authorized Representative

UMB BANK, n.a., as Trustee

By: ______________________________
Authorized Officer

SNOWMASS VENTURES, LLC,
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

[Signature/Certification Page to Report]

APPENDIX B
(To Continuing Disclosure Agreement)

NOTICE OF FAILURE TO FILE REPORT

Name of Issuer:	Base Village Metropolitan District No. 2, Colorado
Name of Bond Issue(s):	Base Village Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2016A, in the original aggregate principal amount of $31,260,000 (the "Bonds")
CUSIP:	069781AA0 069781AB8
Date of Issuance:	December 22, 2016

NOTICE IS HEREBY GIVEN that (check as appropriate) [___] the District [___] the Developer has not provided a Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated December 22, 2016, between the District, the Developer and the Trustee.

The (check as appropriate) [___] District [___] Developer anticipates that the Report will be filed by ______________________.

Dated: ______________, 20____

UMB BANK, n.a., as Trustee

By: ____________________________________
Authorized Officer

APPENDIX C
(To Continuing Disclosure Agreement)

NOTICE OF ANNUAL REPORT DATE CONVERSION

Name of Issuer:	Base Village Metropolitan District No. 2, Colorado
Name of Bond Issue(s):	Base Village Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2016A, in the original aggregate principal amount of $31,260,000 (the "Bonds")
CUSIP:	069781AA0 069781AB8
Date of Issuance:	December 22, 2016

NOTICE IS HEREBY GIVEN that the Annual Report Date Conversion (as defined in the Continuing Disclosure Agreement dated December 22, 2016) occurred on _____________, 20___. Pursuant to Sections 3(a)(i) and 5(a) of the Continuing Disclosure Agreement, the Developer and the District are no longer obligated to provide Quarterly Reports to the Trustee. The District remains obligated to provide Annual Reports pursuant to Section 3(a)(i).

Dated: ______________, 20____

SNOWMASS VENTURES, LLC
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

CONTINUING DISCLOSURE AGREEMENT

$31,260,000
BASE VILLAGE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF SNOWMASS VILLAGE, COLORADO)
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2016A

This Continuing Disclosure Agreement (this "Agreement") is entered into as of December 22, 2016, by and among Base Village Metropolitan District No. 2, Colorado (the "District"), Snowmass Ventures, LLC, a Delaware limited liability company (the "Developer") and UMB Bank, n.a. Denver, Colorado, as trustee (the "Trustee") under the Indenture (defined below) relating to the above captioned bonds (the "Bonds").

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by D.A. Davidson & Co. (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated as of December 16, 2016.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

"*Annual Report Date Conversion*" means the due date of the Quarterly Report which occurs after the earliest of the following: (a) the date upon which a Certificate of Occupancy (defined below) for at least 630,000 square feet of development has been issued (such number constituting approximately 95% of the total planned 663,644 square feet of development); or (b) the date upon which the Senior Debt to Assessed Ratio (as defined in the Indenture) is equal to or less than fifty percent (50%).

"*Audited Financial Statements*" means the District's most recent annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Bond Resolution*" means the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the District on November 16, 2016.

"Capital Pledge Agreement" means the Capital Pledge Agreement between the District and District No. 1 dated as of December 22, 2016.

"*Certificate of Occupancy*" means a certificate of occupancy issued by the Town of Snowmass Village after the date hereof for property located within the boundaries of the District or District No. 1.

"*District No. 1*" means Base Village Metropolitan District No. 1.

"*Indenture*" means, the Indenture of Trust dated as of December 22, 2016, between the Trustee and the District.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated December 16, 2016.

"*MSRB*" means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"*Municipal Advisor*" means an independent registered municipal advisor as defined in 17 C.F.R. Section 240.15Ba1-1(d)(1)(vi)(A).

"*Participant*" means any broker-dealer, bank, or other financial institution from time to time for which DTC (as defined in the Indentures) or another Depository (as defined in the Indentures) holds the Bonds.

"*Report*" means any report provided by the District pursuant to, and as described in, Section 3 of this Agreement.

Section 3. Requirement for Quarterly or Annual Reports.

(a) ***Provision of Information to Trustee***. The Developer and the District hereby undertake and agree to provide certain information specified below to the Trustee on the dates specified below.

(i) Timing of Reports.

A. *Quarterly Reports.* On and prior to the Annual Report Date Conversion, the Developer and the District shall provide their respective portions of the Reports to the Trustee not less than 45 days after each January 1, April 1, July 1 and October 1, commencing April 1, 2017, and such Reports are referred to herein as the "Quarterly Reports" (i.e., Quarterly Reports are due no later than February 15, May 15, August 15 and November 15, commencing May 15, 2017).

B. *Annual Reports.* After the Annual Report Date Conversion, the District shall provide Reports to the Trustee by no later than September 30 of each year, and such Reports are referred to herein as the "Annual Reports."

(ii) Contents of Reports.

A. *Quarterly Reports.* For each Quarterly Report, the Developer shall complete Section 1 of each Report, and the District shall complete Sections 2-5 of each Report (although Section 5 must be completed only on an annual basis and shall be completed with the Quarterly Report due for the quarter ending each July 1).

B. *Annual Reports.* For each Annual Report, the District shall complete Sections 2-5 of each Report.

The Trustee will provide the information required by Section 2 of the Report to the District not later than ten (10) days prior to the due date of the Report. Any or all of the items required to be updated in Appendix A may be incorporated by reference from other documents, including official statements of debt issues which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District and the Developer, as applicable, shall clearly identify each such document incorporated by reference.

(b) ***Provision of Reports to the MSRB.*** Within 10 days after receipt of each Report from the District and Developer, the Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) the Report. Each Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) above.

If the District or the Developer fails to provide to the Trustee their respective portions of each Report by the dates required in Section 3(a), which results in the Trustee's inability to provide a Report to the MSRB by the date required, the Trustee shall file or cause to be filed a notice in substantially the form attached as Appendix B with the MSRB. If the Trustee files or causes to be filed a notice in substantially the form attached as Appendix B with the MSRB, the Trustee shall submit a copy of such filing to the District and the Developer, as follows:

To the District: Base Village Metropolitan District No. 2
c/o White Bear Ankele Tanaka & Waldron Professional Corporation
2154 E. Commons Ave., Suite 2000
Centennial, Colorado 80122
Telephone: (303) 858-1800

To the Developer: Snowmass Ventures, LLC,
in care of:

Andy Gunion
east west partners
126 Riverfront Lane, 5th Floor
P.O. Drawer 2770
Avon, CO 81620
Facsimile No.: ______________

Kevin R. Rohnstock
General Counsel and Chief Compliance Officer
KSL Capital Partners, LLC
100 Fillmore Street, Suite 600
Denver, CO 80206
Facsimile No.: 720-284-6401

Aspen Skiing Company, L.L.C.
222 North LaSalle Street
Suite 2000
Chicago, Illinois 60601
Attn: James S. Crown
Facsimile No.: (312) 899-5028
P.O. Drawer 2770

Aspen Skiing Company, L.L.C.
117 Aspen Business Center
Aspen, Colorado 81611
Attn: Rana Dershowitz
Facsimile No: (970) 300-7178

Davis Graham & Stubbs LLP
1550 17th Street Suite 500
Denver, Colorado 80202
Attn: Bruce D. Stocks
Facsimile No: (303) 893-1379

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Report or the notice described in the preceding paragraph with the MSRB, the Trustee shall upon request send a report to the District and the Developer stating the date that such Report or notice was filed and listing all the entities to which it was provided.

(c) ***Means of Transmitting Information.*** Subject to technical and economic feasibility, the District and the Developer shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. Notice of Material Events. Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) The failure or refusal by the District to impose or collect the Required Mill Levy, or to collect and apply the other components of the Pledged Revenue as required by the Indenture;

(b) The failure or refusal by District No. 1 to impose or collect the Capital Levy as required by the Capital Pledge Agreement;

(c) Any other Event of Default occurs under the Indenture, including a description of such default;

(d) A non-payment related default under the Indenture or the Capital Pledge Agreement (if the District deems such default to be material to the Owners), including a description of such default;

(e) A draw on the Surplus Fund;

(f) A draw on the Reserve Fund;

(g) A draw on the Supplemental Fund;

(h) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS From 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(i) Modifications to rights of Bond owners, if material;

(j) Bond calls and tender offers; and

(k) Defeasances.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, "actual knowledge" of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indenture or the Bonds.

Section 5. Termination.

(a) The obligations of the Developer set forth in Section 3 hereof shall terminate after the Annual Report Date Conversion. Upon the occurrence of the Annual Report Date Conversion, the Developer shall complete the Notice of Annual Report Date Conversion attached hereto as Appendix C and provide such notice to the District and the Trustee. The Trustee shall then file the Notice of Annual Report Date Conversion with the MSRB within 10 days of receipt.

(b) The obligations of the District and the Trustee as to information in Sections 2-5 of the Reports shall terminate at such time as none of the Bonds are Outstanding under each of the Indentures, respectively.

Section 6. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the District makes no representation as to the accuracy of any information provided by the Developer.

Section 7. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the majority of the Owners of the Bonds then Outstanding.

Section 8. Failure to Perform.

(a) <u>District</u>. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder.

(b) <u>Developer</u>. If the Developer fails to comply with this Agreement, the District, within 10 business days of receipt of notice in substantially the form attached as Appendix B from the Trustee, shall be obligated to update Section 1 of Appendix A, but only to the extent such information is publicly available. Further, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Developer to comply with its obligations hereunder.

Section 9. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 11. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Developer, the Trustee, the Underwriter, and the Beneficial Owners from time to time of the Bonds, shall create no rights in any other person or entity.

Section 13. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Trustee, its offers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or Report prepared by the District or the Developer pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 14. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Assignment. The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names, all as of the date first above written.

[*Signature Page Follows*]

This CONTINUING DISCLOSURE AGREEMENT is executed as of the date first set forth above.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2, Town of Snowmass Village, Colorado

By: ______________________________
Authorized Representative

UMB BANK, n.a., as Trustee

By: ______________________________
Authorized Officer

SNOWMASS VENTURES, LLC,
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A
(TO CONTINUING DISCLOSURE AGREEMENT)

FORM OF REPORT

$31,260,000
BASE VILLAGE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF SNOWMASS VILLAGE, COLORADO)
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2016A

Date of Report: _______________

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of December 22, 2016, by and among Base Village Metropolitan District No. 2, Colorado (the "District"), Snowmass Ventures, LLC, a Delaware limited liability company (the "Developer") and UMB Bank, n.a., Denver, Colorado, as trustee ("Trustee") for the above captioned bonds (the "Bonds"). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. Development Activity [Developer to complete; to be updated each quarter on and prior to the Annual Report Date Conversion].

(a) *Building Permits.* State the number of building permits which have been issued by the Town of Snowmass Village for property within the District and Base Village Metropolitan District No. 1 ("District No. 1") for the following periods: (1) since the date of issuance of the Bonds, and (2) since the date of the last Quarterly Report. For each building permit, describe the building for which the permit has been obtained, using the names of the buildings which are provided in the section of the Limited Offering Memorandum captioned "THE DEVELOPMENT – Completed, Partially Completed and Planned Buildings."

(b) *Certificates of Occupancy.* Provide the number of certificates of occupancy which have been issued by the Town of Snowmass Village for property within the District and District No. 1 for the following periods: (1) since the date of issuance of the Bonds, and (2) since the date of the last Quarterly Report. For each certificate of occupancy, describe the building for which the certificate has been obtained, using the names of the buildings which are provided in the section of the Limited Offering Memorandum captioned "THE DEVELOPMENT – Completed, Partially Completed and Planned Buildings."

(c) *Land Entitlements.* Since the date of the last Quarterly Report, have any land entitlements pertaining to property in the District and District No. 1 (e.g., zoning, platting, etc.) been changed or put into place by the Town? This includes, but is not limited to, any modifications or revisions to Town Ordinance No. 9, Series of 1915 (defined in the Limited Offering Memorandum as the "Amended PUD"). If so, describe.

(d) *Land Sales.* Since the date of the last Quarterly Report, has the Developer sold any of its property, other than residential condominium units sold to homeowners in the ordinary course of business? If so, state the amount of property, its location in the District, the name of the purchaser and the sales price.

Section 2. Inclusions and Exclusions [District to complete; to be updated each quarter on and prior to the Annual Report Date Conversion, and to be updated annually after the Annual Report Date Conversion].

(a) Since the date of the last Quarterly Report, has the District or District No. 1 included any property within its boundaries? If so, describe the included property by identifying the building within which the property is located, the square feet and the legal description of the property.

(b) Since the date of the last Quarterly Report, has the District or District No. 1 excluded any property within its boundaries? If so, describe the included property by identifying the building within which the property is located, the square feet and the legal description of the property.

Section 3. Fund Balances and Information [District to complete, based upon information received from the Trustee; to be updated each quarter on and prior to the Annual Report Date Conversion, and to be updated annually after the Annual Report Date Conversion].

(a) The amount on deposit in each of the following funds for the Bonds is as set forth below:

(i) amount on deposit in the Bond Fund is $____________;

(ii) amount on deposit in the Surplus Fund is $______________;

(iii) amount on deposit in the Supplemental Fund is $____________; and

(iv) amount on deposit in the Reserve Fund is $______________.

(b) The Surplus Maximum Adjustment Date (as defined in the definition of "Maximum Surplus Amount" in the Indenture) occurred on _______________ [fill in date] OR _____ [check if applicable] has not yet occurred.

(c) The following amounts have been disbursed from the Supplemental Fund pursuant to Section 3.11(b) of the Indenture: ___________________________ [fill in with the date and amounts of any disbursements which have been made since the date of the prior Quarterly Report, and identify the building to which the disbursement relates, as identified in Exhibit B to the Indenture].

Section 4. Authorized Denominations [District to complete; to be updated each quarter on and prior to the Annual Report Date Conversion, and to be updated annually after the Annual Report Date Conversion].

The Bonds are presently outstanding in Authorized Denominations of:

___ $500,000 and any integral multiple of $1,000 in excess thereof; or

___ Pursuant to paragraph (c) of the definition of Authorized Denomination in the 2016A Senior Indenture, the Authorized Denominations were reduced to $1,000 or any integral multiple thereof on _____________ [insert date].

Section 5. Additional District Information to be Updated [District to complete; prior to the Annual Report Conversion Date, to be provided annually with the Report due on or before August 15; after the Annual Report Conversion Date, to be provided annually with the Annual Report due on or before September 30].

(a) The District shall update the following tables included in the Limited Offering Memorandum:

1. Assessed Valuations for the Districts
2. Mill Levies for the Districts
3. Property Tax Collections in the Districts
4. Ten Largest Owners of Taxable Property within District No. 1
5. Ten Largest Owners of Taxable Property within District No. 2
6. 2016 Preliminary Assessed Valuation of Classes of Property in the Districts
7. Selected Debt Ratios of the Districts as of the Date of this Limited Offering Memorandum (only those portions of the table involving the direct debt of the District)
8. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 1 General Fund
9. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 1 Capital Projects Fund
10. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2 General Fund
11. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2 Capital Projects Fund
12. Statement of Revenue, Expenditures and Changes in Fund Balance – District No. 2
13. Debt Service Fund
14. Budget Summary and Comparison – District No. 1 General Fund
15. Budget Summary and Comparison – District No. 1 Capital Projects Fund
16. Budget Summary and Comparison – District No. 2 General Fund
17. Budget Summary and Comparison – District No. 2 Debt Service Fund

(b) The following information shall be attached to the Report:

___ Audited Annual Financial Statements of the District for the previous year (20___).

___ Annual budget of the District for the current years (20___).

The information contained in this Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in this Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Report by any person or entity shall create no obligation or liability of the District, the Developer or the Trustee.

[*Remainder of Page Left Blank Intentionally*]

The undersigned hereby certify, respectively, that they are authorized representatives of the District, the Developer and the Trustee, and further certify on behalf of the following entities that the information contained in the foregoing Report (for the Developer, with respect to Section 1 only, for the District, with respect to Sections 2-5 only and for the Trustee, with respect to Section 2 only) is, to their actual knowledge, true, accurate and complete. This Report may be executed below on counterpart signature pages.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2, Town of Snowmass Village, Colorado

By: ______________________________
Authorized Representative

UMB BANK, n.a., as Trustee

By: ______________________________
Authorized Officer

SNOWMASS VENTURES, LLC,
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

[Signature/Certification Page to Report]

APPENDIX B
(To Continuing Disclosure Agreement)

NOTICE OF FAILURE TO FILE REPORT

Name of Issuer:	Base Village Metropolitan District No. 2, Colorado
Name of Bond Issue(s):	Base Village Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2016A, in the original aggregate principal amount of $31,260,000 (the "Bonds")
CUSIP:	069781AA0 069781AB8
Date of Issuance:	December 22, 2016

NOTICE IS HEREBY GIVEN that (check as appropriate) [___] the District [___] the Developer has not provided a Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated December 22, 2016, between the District, the Developer and the Trustee.

The (check as appropriate) [___] District [___] Developer anticipates that the Report will be filed by ______________________.

Dated: ______________, 20____

UMB BANK, n.a., as Trustee

By: ____________________________________
Authorized Officer

APPENDIX C
(To Continuing Disclosure Agreement)

NOTICE OF ANNUAL REPORT DATE CONVERSION

Name of Issuer:	Base Village Metropolitan District No. 2, Colorado
Name of Bond Issue(s):	Base Village Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2016A, in the original aggregate principal amount of $31,260,000 (the "Bonds")
CUSIP:	069781AA0 069781AB8
Date of Issuance:	December 22, 2016

NOTICE IS HEREBY GIVEN that the Annual Report Date Conversion (as defined in the Continuing Disclosure Agreement dated December 22, 2016) occurred on _____________, 20___. Pursuant to Sections 3(a)(i) and 5(a) of the Continuing Disclosure Agreement, the Developer and the District are no longer obligated to provide Quarterly Reports to the Trustee. The District remains obligated to provide Annual Reports pursuant to Section 3(a)(i).

Dated: ______________, 20____

SNOWMASS VENTURES, LLC
a Delaware limited liability company

By: ______________________________

Name: ______________________________

Title: ______________________________

APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The definitions and the descriptions of the Indenture in this Appendix G and in the body of this Limited Offering Memorandum under the captions "INTRODUCTION," "THE BONDS" and "SECURITY FOR THE BONDS" are qualified in all respects by reference to the Indenture. Copies of the Indenture may be obtained from the District and the Underwriter as provided under the caption "INTRODUCTION – Additional Information" in the body of this Limited Offering Memorandum.

Definitions

In the Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

"*Act*" means Title 32, Article 1, C.R.S.

"*Additional Bonds*" means (1) all obligations of the District for borrowed money and reimbursement obligations, (2) all obligations of the District constituting a lien or encumbrance upon the ad valorem tax revenues of the District or any part of the Pledged Revenue, (3) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments, (4) all obligations of the District to pay the deferred purchase price of property or services, (5) all obligations of the District as lessee under capital leases, and (6) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term "Additional Bonds" does not include:

(a) obligations the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor, other than capital leases as set forth in (5) above, which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the District to impose any tax, fee, or other governmental charge;

(b) obligations which are payable solely from the proceeds of additional District obligations, when and if issued;

(c) obligations payable solely from periodic, recurring service charges (e.g., not including Capital Facility Fees) imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under Colorado law;

(d) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (i) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for any Parity Bonds or Subordinate Bonds, and (ii) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements; and

(e) any operating leases, payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District.

"*Annual Debt Service Requirements*" means, with respect to any applicable Bond Year, the sum of (a) the regularly scheduled principal of the Bonds and other Parity Bonds due and coming due in such Bond Year (which shall include installments due as a result of a mandatory sinking fund redemption but shall not include principal due as a result of any other redemption), and (b) the current interest on the Bonds and other Parity Bonds due and coming due in the same Bond Year (but shall not include any accrued and unpaid interest from any prior period or any compounded interest then due), all as provided under the Indenture and under any other applicable Senior Governing Instrument.

"*Authorized Denominations*" means initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date;

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof; and

(c) the Authorized Denominations shall be reduced to $1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., or any successor statute, or has taken other actions which permit the Bonds to be issued in denominations of $1,000 or integral multiples thereof under the Service Plan and the Colorado Municipal Bond Supervision Act, Title 11, Article 59, C.R.S., or any successor statute.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Board*" means the Board of Directors of the District.

"Bond Counsel" means (a) as of the Closing Date, Kutak Rock LLP, Denver, Colorado, and (b) as of any other date, Kutak Rock LLP, Denver, Colorado, or such other attorneys selected by the District with nationally recognized expertise in the issuance of tax-exempt debt.

"*Bond Fund*" means the "Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A, Bond Fund," established by the provisions of the Indenture for the purpose of paying the principal of, premium if any, and interest on the Bonds.

"*Bond Resolution*" means the resolution adopted by the Board on November 16, 2016 authorizing the issuance of the Bonds and the execution of the Indenture, including any amendments or supplements made thereto in accordance with the provisions thereof.

"*Bond Year*" means the period commencing December 2 of any calendar year and ending December 1 of the following calendar year.

"*Bonds*" means the General Obligation Limited Tax Refunding Bonds, Series 2016A, in the aggregate principal amount of $31,260,000, issued by the District pursuant to the Indenture and the Bond Resolution.

"Business Day" means (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which a corporate trust office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

"*Capital Facility Fees*" means the fees imposed by the District pursuant to the Capital Facility Fee Resolution.

"*Capital Facility Fee Resolution*" means the Resolution of Base Village Metropolitan District No. 2 to Establish a Capital Facility Fee adopted by the Board on November 28, 2016, as the same may be further amended from time to time in accordance with the terms thereof and hereof.

"Capital Facility Fee Revenue" means the revenue derived by the District from imposition and collection of the Capital Facility Fees, and includes the revenue derived from any action to enforce the collection of the Capital Facility Fees and the revenue derived from the sale or other disposition of property acquired by the District from any

action to enforce the collection of the Capital Facility Fees.

"*Capital Levy Revenue*" has the meaning set forth in the Capital Pledge Agreement.

"*Capital Pledge Agreement*" means the Capital Pledge Agreement dated as of December 22, 2016 between the District and District No. 1, as the same may be amended or supplemented from time to time in accordance with the provisions hereof and thereof.

"*Cede*" means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

"*Certified Public Accountant*" means a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

"Closing Memorandum" means the closing memorandum dated as of the date of issuance of the Bonds and prepared by the Underwriter, delineating all sources of funds, including moneys presently held in funds and accounts relating to the Refunded Bonds and proceeds of the Bonds, and setting forth the uses of such funds, including credits to the funds and accounts established under the Indenture and the application of such funds to the payment of the costs, expenses and fees incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds.

"*Code*" means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

"*Consent Party*" means the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond. The District may at its option determine whether the Owner or the Participant is the Consent Party with respect to any particular amendment or other matter under the Indenture.

"Corporate Certificate of Authority" means a corporate certificate of authority, resolution, action by unanimous written consent, or other similar written authorization in substantially the form of Exhibit C to the Indenture, certifying as to the corporate authority of each person named as an Authorized Officer therein to execute and deliver documents on behalf of the Depositor, which shall include a specimen signature of each such Authorized Officer together with an authorizing signature of the corporate secretary, assistant secretary or other corporate officer certifying as to the matters set forth therein who is not designated as an Authorized Officer therein.

"*Counsel*" means a person, or firm of which such a person is a member, authorized in any state to practice law.

"*C.R.S.*" means the Colorado Revised Statutes, as amended and supplemented as of the date of the Indenture.

"Depositor" means German American Capital Corporation, a Maryland corporation.

"Depositor Authorized Representative" means the person or persons identified as an Authorized Officer of the Depositor in the Corporate Certificate of Authority attached as Exhibit C hereto, or any other person or persons identified as an Authorized Officer of the Depositor in a Corporate Certificate of Authority provided to the Trustee.

"*Depository*" means any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

"*District*" means Base Village Metropolitan District No. 2, in the Town of Snowmass Village, Pitkin County, Colorado, and its successors and assigns.

"*District No. 1*" means Base Village Metropolitan District No. 1, in the Town of Snowmass Village, Pitkin County, Colorado, and its successors and assigns.

"District No. 1 Board" means the Board of Directors of District No. 1.

"District No. 1 Resolution" means the resolution adopted by the District No. 1 Board on November 16, 2016 authorizing District No. 1 to execute and deliver the Capital Pledge Agreement and perform its obligations thereunder.

"District No. 2 Annual Revenue" means the Level A Revenue.

"District No. 2 Funding Termination Date" has the meaning set forth in the Operations Agreement.

"*District Representative*" means the person or persons at the time designated to act on behalf of the District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President or Vice President and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

"*Districts*" means, collectively, the District and District No. 1.

"*DTC*" means the Depository Trust Company, New York, New York, and its successors and assigns.

"Due Date" means (a) with respect to principal of the Bonds, December 1 of each year, commencing December 1, 2017; (b) with respect to interest on the Bonds, June 1 and December 1 of each year, commencing June 1, 2017; and (c) with respect to a replenishment to the Reserve Fund to cause the amount therein to equal the Reserve Requirement, December 1 of each year in which a replenishment is required.

"*Elections*" means the elections duly called and held within the District on November 2, 2004, on November 7, 2006 and on November 6, 2007 in accordance with law and pursuant to due notice.

"*Event of Default*" means any one or more of the events set forth in Section 8.01 of the Indenture. See "SECURITY FOR THE BONDS – Events of Default and Remedies."

"*Federal Securities*" means direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"*Indenture*" means the Indenture of Trust as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof.

"Interest Payment Date" means June 1 and December 1 of each year, commencing June 1, 2017.

"*Letter of Representations*" means the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

"Level" or *"Levels"* has the meaning set forth in Section 3.06 of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level A Period" has the meaning set forth in Section 3.06(a)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level A Revenue" has the meaning set forth in Section 3.06(a)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level B Period" has the meaning set forth in Section 3.06(b)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level B Revenue" has the meaning set forth in Section 3.06(b)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level C Period" has the meaning set forth in Section 3.06(c)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level C Revenue" has the meaning set forth in Section 3.06(c)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level D Period" has the meaning set forth in Section 3.06(d)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level D Revenue" has the meaning set forth in Section 3.06(d)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level E Period" has the meaning set forth in Section 3.06(e)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level E Revenue" has the meaning set forth in Section 3.06(e)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level F Period" has the meaning set forth in Section 3.06(f)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level F Revenue" has the meaning set forth in Section 3.06(f)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level G Period" has the meaning set forth in Section 3.06(g)(i) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"Level G Revenue" has the meaning set forth in Section 3.06(g)(ii) of the Indenture. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds."

"*Maximum Surplus Amount*" has the following meanings, each of which is the maximum amount of the Surplus Fund during the applicable periods of time:

(a) for the period commencing on the date of issuance of the Bonds to, but not including, the earlier to occur of the date on which (i) the amount on deposit in the Surplus Fund is equal to $1,000,000 as a result of draws thereon pursuant to the provisions of Section 3.09(d) of the Indenture (pertaining to the Level D Period) or (i) the Senior Debt to Assessed Ratio is equal to or less than 50% (the earlier to occur of such date being the "Surplus Maximum Adjustment Date"), the "Maximum Surplus Amount" means the amount of $2,000,000; and

(b) on and after the Surplus Maximum Adjustment Date, the "Maximum Surplus Amount" means the amount of $1,000,000.

"Operations Agreement" means the Operation, Maintenance and Administrative Services Agreement dated November 28, 2016 and effective as of the date of issuance of the Bonds, by and between District No. 1 and the District.

"*Outstanding or Outstanding Bonds*" means as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Indenture) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Indenture) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

"*Owner(s) or Owner(s) of Bonds*" means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee.

"*Parity Bonds*" means the Bonds and any Additional Bonds having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds, and superior to the lien of the Subordinate Bonds, payable in whole or in part from moneys described in FIRST through THIRD of the Section of the Indenture entitled "Flow of Funds." See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds." For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

"*Participants*" means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

"*Permitted Investments*" means shall mean any investment or deposit the District is permitted to make under then applicable law.

"*Permitted Refunding Bonds*" means Parity Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any part of any obligation of the District which constitutes a lien upon the ad valorem tax revenues of the District or the Pledged Revenue or any part thereof, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the District's scheduled debt service in any year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding purposes which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District's debt service in any year.

(c) If any additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts are created for the additional security of such refunding obligations, the Bonds shall also be secured thereby on a *pari passu* basis. It is the intent of the Indenture that the refunding obligations may be secured by the Reserve Fund and the Surplus Fund in the same fashion as the Bonds, as provided in the Sections thereof entitled "Reserve Fund" and "Surplus Fund."

(d) Such refunding obligations are payable on the same day or days of the calendar year as the Bonds, and are not subject to acceleration

(e) The ad valorem mill levy pledged to the payment of the refunding obligations shall be not higher than and subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Bonds.

(f) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Bonds.

"*Pledged Revenue*" means the moneys derived by the District from the following sources, net of any costs of collection:

(a) the Required Mill Levy;

(b) the Specific Ownership Tax Revenue;

(c) the Capital Facility Fee Revenue;

(d) the Capital Levy Revenue (from which Shortfalls shall be paid); and

(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

"*Record Date*" means the fifteenth (15th) day of the calendar month immediately preceding each Interest Payment Date.

"Refunded Bonds" means (a) all of the outstanding Series 2013A Loan; and (b) a portion of the District's outstanding Subordinate Limited Tax Revenue Refunding Bonds, Series 2013B.

"*Required Mill Levy*" shall have the following meanings:

(a) During a Level A Period, Level B Period, Level C Period, and Level D Period, subject to clause (c) below, means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year equal to 37.5 mills; provided that in the event the method of calculating assessed valuation is or was changed after October 23, 2006 (being the date of approval of the Districts' Service Plan), such mill levy shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) During a Level E Period and Level F Period, subject to clause (c) below, means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year equal to 43.5 mills; provided that in the event the method of calculating assessed valuation is or was changed after October 23, 2006 (being the date of approval of the Districts' Service Plan), such mill levy shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(c) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"*Reserve Requirement*" means the amount of $654,168.23, which is the amount of the Reserve Fund.

"*Reserve Fund*" means a special fund of the District designated as the "Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A, Reserve Fund," created by the provisions of the Indenture for the purposes set forth therein.

"*Revenue Fund*" means a special fund of the District designated as the "Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A, Revenue Fund," created by the provisions of the Indenture for the purposes set forth therein.

"Senior Debt Service Requirements" has the meaning set forth in the Capital Pledge Agreement.

"*Senior Debt to Assessed Ratio*" means the ratio derived by dividing the then-outstanding principal amount of the Bonds and all other outstanding Parity Bonds of the District by the assessed valuation of the taxable property of the District, as such assessed valuation is certified from time to time by the appropriate county assessor. The foregoing calculation shall exclude the principal amount of any Subordinate Bonds or any obligation other than Parity Bonds.

"*Senior Governing Instrument*" means, (a) with respect to the Bonds, the Indenture; (b) with respect to any other Parity Bonds, means the resolution, indenture, agreement or other instrument(s) governing the issuance and repayment terms of such Parity Bonds.

"*Senior Reserve Fund*" means (a) with respect to the Bonds, the Reserve Fund, and (b) with respect to any other Parity Bonds, the debt service reserve or similar fund established and maintained in connection with such Parity Bonds, if any, under the applicable Senior Governing Instrument.

"*Senior Reserve Requirement*" means (a) with respect to the Bonds, the Reserve Requirement, and (b) with respect to any other Parity Bonds, the amount established by the applicable Senior Governing Instrument as the required amount to be funded, accumulated, and/or maintained in the corresponding Senior Reserve Fund, if any.

"Series 2013A Loan" means the District's outstanding Senior Limited Tax Refunding Loan, Series 2013A, issued in the original aggregate principal amount of $20,300,000 and presently outstanding in the aggregate principal amount of $19,080,000 (less $635,000, representing the principal payment due on December 1, 2016, for a total principal amount being refunded of $18,445,000).

"*Series 2016B Subordinate Bonds*" means the District's Subordinate General Obligation Bonds, Series 2016B in the maximum principal amount of $13,300,000, to be issued by the District on or about the date of issuance of the Bonds.

"Service Costs" has the meaning set forth in the Operations Agreement.

"*Service Plan*" means the Amended and Restated Service Plan of Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 dated October 17, 2006 and approved by the Town Council of the Town of Snowmass Village, Colorado, pursuant to Resolution No. 52, Series of 2006, on October 23, 2006.

"Shortfall" has the meaning set forth in Section 3.02(b) of the Indenture. See "SECURITY FOR THE BONDS - Shortfalls; Capital Levy Revenue Pledge."

"Shortfall Payment" has the meaning set forth in Section 3.02(d) of the Indenture. See "SECURITY FOR THE BONDS - Shortfalls; Capital Levy Revenue Pledge."

"Shortfall Notice" has the meaning set forth in Section 3.02(c) of the Indenture. See "SECURITY FOR THE BONDS - Shortfalls; Capital Levy Revenue Pledge."

"Six Mills Revenue" means the revenue derived from the imposition by the District of six (6) mills, which revenue (a) constitutes a portion of the revenue derived from imposition of the Required Mill Levy (as defined in paragraph (b) of the definition thereof set forth in this Section 1.01) which is pledged on a superior basis to the Bonds and other Parity Bonds; (b) constitutes the sole revenue of the District pledged under the Operations Agreement for payment of Service Costs thereunder until the District No. 2 Funding Termination Date which is pledged thereunder on a basis fully subordinate to the Bonds and other Parity Bonds; and (c) on and after the District No. 2 Funding Termination Date, shall be pledged solely to the Bonds and other Parity Bonds and to no other purpose.

"*Special Record Date*" means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to the Indenture.

"*Specific Ownership Tax*" means the specific ownership taxes collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute.

"*Specific Ownership Tax Revenue*" means that portion of Special Ownership Tax revenue allocable to the imposition by the District of the Required Mill Levy.

"*State*" means the State of Colorado.

"*Subordinate Bonds*" means Additional Bonds having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, payable in whole or in part from moneys described in FOURTH or FIFTH of the Section of the Indenture entitled "Flow of Funds," and not from moneys described in FIRST through THIRD of such Section. See "SECURITY FOR THE BONDS – Revenue Fund; Flow of Funds." For purposes of this definition, Additional Bonds having a lien upon the District's ad valorem tax revenues shall be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

"*Supplemental Act*" means the "Supplemental Public Securities Act," being Title 11, Article 57, Part 2, C.R.S.

"Supplemental Fund" means the "Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A, Supplemental Fund," established by the provisions of the Indenture for the purposes described therein.

"*Surplus Fund*" means the "Base Village Metropolitan District No. 2 General Obligation Limited Tax Refunding Bonds, Series 2016A, Surplus Fund," created by the provisions of the Indenture for the purposes set forth therein.

"*Tax Certificate*" means that certificate to be signed by the District relating to the requirements of Sections 103 and 141-150 of the Code.

"Town" means the Town of Snowmass Village, Colorado.

"*Trust Estate*" means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

"*Trustee*" means UMB Bank, n.a., in Denver, Colorado, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Indenture.

"*Underwriter*" means D.A. Davidson & Co., of Denver, Colorado.

Source of Payment of Bonds

The Bonds shall constitute limited tax general obligations of the District. All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts created in the Indenture, and the Pledged Revenue is pledged by the Indenture to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Pledged Revenue and the moneys and earnings thereon held in the funds and accounts therein created, but not necessarily an exclusive such lien.

Tax Covenants

The District shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excluded from the gross income of the recipients thereof and exempt from such taxation.

The District shall not use or permit the use of any proceeds of Bonds or any funds of the District, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Code, and the District shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The District shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds.

In the event that at any time the District is of the opinion that for purposes of this Section of the Indenture it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the District under the Indenture, the District shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

The District specifically covenants to comply with the provisions and procedures of the Tax Compliance Certificate.

The covenants contained in this Section of the Indenture shall continue in effect until all Bonds are fully paid, satisfied, and discharged.

Additional Covenants and Agreements

The District further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The District shall not dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect the security provided for the payment of the Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided however, that the foregoing shall not prevent the District from dissolving pursuant to the provisions of the Act.

(b) At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its best efforts to have such audit report completed no later than September 30 of the year immediately succeeding the year which is the subject of such audit. The foregoing covenant shall apply notwithstanding any state law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry general liability, public officials' liability, and such other forms of insurance on insurable District property upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of the District will sufficiently protect the District and its operations.

(d) Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(e) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(f) In the event the Pledged Revenue and other moneys available under the Indenture for payment of the Bonds is insufficient or is anticipated to be insufficient to pay the principal of, premium if any, and interest on the Bonds when due, the District shall use its reasonable efforts to refinance, refund, or otherwise restructure the Bonds so as to avoid such insufficiency

(g) The District will enforce the collection of all Capital Facility Fees in such time and manner as the District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith. The District will not (i) reduce the amount of the Capital Facility Fees, or (ii) amend or supplement the Capital Facility Fee Resolution in any way which in the reasonable judgment of the District would materially adversely affect the amount or timing of Capital Facility Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided that nothing in the Indenture shall prevent the District from increasing the amount of the Capital Facility Fees.

(h) The District shall not amend or supplement or consent to the amendment or supplement of the Operations Agreement in any way which in the reasonable judgment of the District would increase the District's pledge thereunder beyond the Six Mill Revenue or otherwise expand its obligations thereunder, or which would allow the Six Mill Revenue to be used or pledged for any purpose other than for payment of Service Costs, or which would extend the District No. 2 Funding Termination Date; provided that nothing in the Indenture shall prevent the District from reducing or decreasing its pledge thereunder or modifying the District No. 2 Funding Termination Date to an earlier date.

(i) The District shall not pledge or use or permit the pledge or use of the Six Mill Revenue for any purpose other than (i) on a superior basis, for payment of the Bonds and other Parity Bonds (in that the Six Mill Revenue constitutes a portion of the revenue derived from imposition of the Required Mill Levy as defined in paragraph (b) of the definition thereof set forth in Section 1.01 of the Indenture which is pledged on a superior basis to the Bonds and other Parity Bonds) and (ii) on a subordinate basis and only until the occurrence of the District No. 2 Funding Termination Date, for payment of Service Costs under the Operations Agreement.

(j) In the event that an exemption from registration for the Bonds under the Colorado Municipal Bond Supervision Act becomes available that permits the issuance or reissuance of the Bonds in denominations of $1,000 or integral multiples thereof, and if permitted by the Service Plan and requested in writing by the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds, the District shall, at the expense of the Consent Parties so requesting, use its good faith efforts to obtain such an exemption, amend the Indenture as may be required in connection therewith, and issue or reissue the Bonds in denominations of $1,000 or integral multiples thereof.

Investments

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, at the written direction of the District Representative, in Permitted Investments only.

(b) Such investments shall mature or be redeemable at the option of the owner thereof no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended. The District Representative may direct the Trustee to, or in the absence of direction, the Trustee shall, in accordance with this subsection, invest and reinvest the moneys in any money market fund which is a Permitted Investment so that the maturity date, Interest Payment Date, or date of redemption, at the option of the owner of such investment, shall coincide as nearly as practicable with the times at which money is needed to be so expended. The Trustee shall have no obligation to determine whether any investment directed by the District constitutes a Permitted Investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees, and it is specifically provided in the Indenture that the Trustee may purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the District shall be sufficient, unless the District notifies the Trustee in writing to the contrary within 30 days of the date of such statement.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of the Indenture.

Discharge of the Lien of the Indenture

(a) If the District shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of, premium if any, and interest to become due thereon at the times and in the manner stipulated in the Indenture, and if the District shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by the Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, determine, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the District such instruments in writing as shall be requisite to satisfy the lien thereof, and assign and deliver to the District any property at the time subject to the lien of the Indenture which may then be in its possession, and deliver any amounts required to be paid to the District under Section 8.05 thereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section of the Indenture if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section 7.01, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium if any, and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of the Indenture in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of, premium if any, and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as provided in the Indenture, the Trustee may require and may rely upon: (i) an opinion of nationally recognized municipal Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with the Indenture; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of, premium if any, and interest on the Bonds when due.

(e) The release of the obligations of the District under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it under the Indenture and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust thereby created, the exercise of its powers, and the performance of its duties thereunder.

Supplemental Indentures Not Requiring Consent

The District and the Trustee may, without the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental to the Indenture, which supplemental indentures shall thereafter form a part thereof, for any one or more of the following purposes:

(a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

(b) To subject to the Indenture additional revenues, properties, or collateral;

(c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and

(d) To qualify the Indenture under the Trust Indenture Act of 1939.

Supplemental Indentures Requiring Consent

(a) Except for supplemental indentures delivered pursuant to the previous section, the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing in the Indenture contained shall permit, or be construed as permitting:

(i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

No Recourse against Officers and Agents

Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE CAPITAL PLEDGE AGREEMENT

The definitions and the descriptions of the Capital Pledge Agreement (the "Capital Pledge Agreement") in this Appendix I and in the body of this Limited Offering Memorandum are qualified in all respects by reference to the Capital Pledge Agreement. Copies of the Capital Pledge Agreement may be obtained from the District and the Underwriter as provided under the caption "INTRODUCTION – Additional Information" in the body of this Limited Offering Memorandum.

Definitions

"Agreement" or *"Pledge Agreement"* means the Capital Pledge Agreement as the same may be amended from time to time in accordance with the provisions thereof and of any applicable Senior Governing Instrument.

"*Capital Levy*" means:

(a) subject to clause (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 1 each year in the number of mills necessary to produce Capital Levy Revenue in an amount at least equal to the amount of the applicable Shortfall, but such mill levy shall not exceed 43.5 mills; provided, however, that in the event the method of calculating assessed valuation is or was changed after October 23, 2006 (being the date of approval of the Districts' Service Plan), such mill levy shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the District No. 1 Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything in the Capital Pledge Agreement to the contrary, in no event may the Capital Levy be established at a mill levy which would cause District No. 1 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 1's electoral authorization, and if the Capital Levy as calculated pursuant to the provisions set forth below would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 1's electoral authorization, the Capital Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"*Capital Facility Fee Revenue"* has the meaning assigned to such term in the Senior Indenture.

"Capital Levy Obligation" means the District's obligation to levy the Capital Levy as provided in the Capital Pledge Agreement.

"*Capital Levy Revenue*" means the sum of the (a) ad valorem property tax revenue derived from imposition of the Capital Levy plus (b) the Specific Ownership Tax revenue allocable to such Capital Levy, less costs of collection.

"*District No. 1*" means Base Village Metropolitan District No. 1.

"*District No. 1 Board*" means the Board of Directors of District No. 1.

"District No. 1 Specific Ownership Tax Revenue" means the specific ownership taxes collected by Pitkin County and remitted to District No. 1 pursuant to Section 42-3-107, C.R.S., or any successor statute.

"*District No. 2*" means Base Village Metropolitan District No. 2.

"*District No. 2 Annual Revenue*" means, with respect the applicable Senior Bond Year, the sum of the following to the extent collected within such Senior Bond Year: (a) the ad valorem property tax revenue derived from imposition by District No. 2 of the Required Mill Levy as defined in clause (a) of the definition of "Required Mill Levy" set forth in the Senior Indenture; (b) the District No. 2 Specific Ownership Tax Revenue allocable to such Required Mill Levy; and (c) the Capital Facility Fee Revenue. *It is noted in the Capital Pledge Agreement that the definition of "Level A Revenue"set forth in the Senior Indenture with respect to the Series 2016A Senior Bonds is intended, and shall constitute, the same revenue as the "District No. 2 Annual Revenue"as defined in the Capital Pledge Agreement.*

"*District No. 2 Board*" means the Board of Directors of District No. 2.

"District No. 2 Specific Ownership Tax Revenue" means the specific ownership taxes collected by Pitkin County and remitted to District No. 2 pursuant to Section 42-3-107, C.R.S., or any successor statute.

"*Districts*" means, collectively, District No. 1 and District No. 2.

"Due Date" means any date on which the Senior Debt Service Requirements are due (with respect to principal and interest) or are required to be replenished (with respect to Senior Reserve Fund replenishments, if a date for replenishment is specifically required) on any Senior Obligation as provided in the applicable Senior Government Instrument(s).

"*Effective Date*" shall mean the date on which District No. 2 issues the Series 2016A Senior Bonds.

"*Elections*" means, (a) collectively, the elections of each of the Districts duly called and held on November 2, 2004, on November 7, 2006 and on November 6, 2007 in accordance with law and pursuant to due notice and (b) with respect to District No. 1, means the elections of District No. 1 held on November 2, 2004, on November 7, 2006 and on November 6, 2007 in accordance with law and pursuant to due notice.

"*Facilities*" means certain public infrastructure described in the Base Village Intergovernmental Agreement, dated as of September 30, 2006 by and among the Snowmass Village General Improvement District No. 1 (the "GID") and the Districts (the "Intergovernmental Agreement").

"*Fiscal Year*" means, with respect to the Districts, the period commencing on January 1 through and including December 31 of the same calendar year, or any other fiscal year of the Districts adopted or required in accordance with applicable law.

"OMAS Agreement" means the Operation, Maintenance and Administrative Services Agreement dated November 28, 2016, and effective as of the Effective Date, by and between District No. 1 and District No. 2.

"Omnibus Reimbursement Agreement" means the Omnibus Reimbursement Agreement dated November 28, 2016, and effective as of the Effective Date, by and between District No. 1 and SV Bond Holdings LLC, a Colorado limited liability company.

"Outstanding" has the following meanings: (a) with respect to the Series 2016A Senior Bonds, has the meaning assigned to such term in Section 1.01 of the Senior Indenture and (b) with respect to any other Senior Obligation, has a similar meaning with respect to such obligation, as may be set forth in the applicable Senior Governing Instrument.

"Payment Obligation" means District No. 1's obligation to make each Shortfall Payment in accordance with the provisions of the Capital Pledge Agreement.

"Pledge Agreement" or *"Agreement"* means the Capital Pledge Agreement as the same may be amended from time to time in accordance with the provisions thereof and of any applicable Senior Governing Instrument.

"Senior Bond Trustee" means (a) with respect to the Series 2016A Senior Bonds, UMB Bank, n.a., in Denver, Colorado, or any successor and (b) with respect to any other Senior Obligations, means the trustee, paying agent, custodian or other administrative agent acting in such capacity with respect to the applicable Senior Obligation under the applicable Senior Governing Instrument.

"*Senior Bond Year*" means the period commencing on December 2 of any calendar year through and including December 1 of the following calendar year.

"Senior Bondholders" means the registered owners from time to time of the Senior Obligations.

"*Senior Debt Service Requirements*" means, with respect to any applicable Senior Bond Year, the sum of (a) the regularly scheduled principal of the Senior Obligations due and coming due in such Senior Bond Year (which shall include installments due as a result of a mandatory sinking fund redemption but shall not include principal due as a result of any other redemption); (b) the current interest on the Senior Obligations due and coming due in the same Senior Bond Year (but shall not include any accrued and unpaid interest from any prior period or any compounded interest then due); and (c) the amount necessary, if any, to replenish each Senior Reserve Fund to its respective Senior Reserve Requirement, all as provided under the applicable Senior Governing Instrument(s).

"*Senior Governing Instrument*" means, (a) with respect to the Series 2016A Senior Bonds, the Senior Indenture; (b) with respect to any outstanding Senior Permitted Refunding Bonds, means the resolution, indenture, agreement or other instrument(s) governing the issuance and repayment terms of such Senior Permitted Refunding Bonds; and (c) with respect to any other outstanding Senior Parity Obligations, means the resolution, indenture, agreement or other instrument(s) governing the issuance and repayment terms of such Senior Parity Obligations.

"*Senior Indenture*" means the Indenture of Trust dated as of December 22, 2016 between District No. 2 and the Senior Bond Trustee pursuant to which the Series 2016A Senior Bonds are issued.

"*Senior Obligations*" means (a) the Series 2016A Senior Bonds; (b) any outstanding Senior Permitted Refunding Bonds; and (c) any other outstanding Senior Parity Obligations.

"*Senior Parity Obligations*" has the meaning assigned to the defined term "Parity Bonds" in the Senior Indenture.

"*Senior Permitted Refunding Bonds*" has the meaning assigned to the defined term "Permitted Refunding Bonds" in the Senior Indenture.

"*Senior Reserve Fund*" means (a) with respect to the Series 2016A Senior Bonds, the fund defined as the "Reserve Fund" in Section 1.01 of the Senior Indenture as established and maintained thereunder, and (b) with respect to any other Senior Obligation, the debt service reserve or similar fund established and maintained in connection with such Senior Obligation, if any, under the applicable Senior Governing Instrument.

"*Senior Reserve Requirement*" means (a) with respect to the Series 2016A Senior Bonds, the amount defined as the "Reserve Requirement" in Section 1.01 of the Senior Indenture, and (b) with respect to any other Senior Obligation, the amount established by the applicable Senior Governing Instrument as the required amount to be funded, accumulated, and/or maintained in the Senior Reserve Fund, if any, applicable to such Senior Obligation.

"*Series 2016A Senior Bonds*" means the General Obligation Limited Tax Refunding Bonds, Series 2016A, in the aggregate principal amount of $31,260,000, issued by the District pursuant to the Senior Indenture.

"*Service Area*" means, with respect to any of the Districts, the geographic area that the Districts are authorized to serve pursuant to the Service Plan, as amended from time to time.

"*Shortfall*" has the meaning set forth in Section 2.04(a) of the Capital Pledge Agreement (see below).

"Shortfall Levy Year" has the meaning set forth in Section 2.05(a) of the Capital Pledge Agreement (see "SECURITY FOR THE BONDS – Capital Levy Revenue").

"*Shortfall Notice*" has the meaning set forth in Section 2.04(b)(ii) of the Capital Pledge Agreement (see "SECURITY FOR THE BONDS – Capital Levy Revenue").

"Shortfall Payment" has the meaning set forth in Section 2.04(b)(i) of the Capital Pledge Agreement (see "SECURITY FOR THE BONDS – Capital Levy Revenue").

"*Termination Date*" means the first date on which no Senior Obligations are Outstanding within the meaning of the applicable Senior Governing Instrument(s).

Electoral Authorization

(a) ***Elections.*** The prior voted authorization for issuance of debt, annual tax increases, total maximum repayment cost, and the levy of ad valorem taxes in connection with the foregoing was approved at the Elections as required by Article X, Section 20 of the Colorado Constitution. The performance by District No. 1 of the terms of the Pledge Agreement requires no further electoral approval.

(b) ***Allocation of Voted Authorization.*** District No. 1's indebtedness represented by the Pledge Agreement shall be allocated to the intergovernmental agreement category of its voted authorization as obtained at the Elections in accordance with the proportion of the Senior Obligations actually paid from Capital Levy Revenue or other revenue of District No. 1 in accordance with the provisions of the Pledge Agreement. District No. 1 shall make such allocation annually in District No. 1's audited financial statements.

(c) ***Limits of Electoral Authorization.*** In no event shall the total or annual obligations of District No. 1 under the Pledge Agreement exceed the maximum amounts permitted under the Elections. Upon payment by District No. 1 under the Pledge Agreement of the maximum amounts authorized by the Elections, the obligations of District No. 1 thereunder will be deemed defeased and no longer outstanding.

Limited Defenses; Specific Performance

It is understood and agreed by District No. 1 that its obligations under the Pledge Agreement are absolute, irrevocable, and unconditional and so long as the Pledge Agreement has not been terminated, District No. 1 agrees that, notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its obligations thereunder to impose the Capital Levy in each Shortfall Levy Year, to collect and enforce the collection of the Capital Levy Revenue, and to make Shortfall Payments to the Senior Bond Trustee, all in the manner required by law or as required thereunder, or take or fail to take any action which would delay any such imposition, collection, enforcement, payment, transfer or disbursement as required thereunder. Notwithstanding that the Pledge Agreement specifically prohibits and limits defenses and claims of District No. 1, in the event that District No. 1 reasonably believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.07, it shall, nevertheless, impose the Capital Levy, collect and enforce the collection of the Capital Levy Revenue, and make all Shortfall Payments as described in the Pledge Agreement, and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

Future Exclusion of Property

District No. 1 shall not exclude nor consent to the exclusion of any taxable property from within its boundaries unless 100% of the property owners of such proposed excluded property agree in writing to the imposition of the Capital Levy upon their respective property and payment, transfer and disbursement of the Capital Levy Revenue as provided in the Pledge Agreement.

Additional Covenants

(a) Except for the OMAS Agreement and the Omnibus Reimbursement Agreement, District No. 1 will not issue or incur bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the Capital Levy Revenue or any portion thereof.

(b) District No. 1 shall not amend or supplement or consent to the amendment or supplement of the OMAS Agreement or the Omnibus Reimbursement Agreement in any way which in the reasonable judgment of District No. 1 would impair or reduce its Payment Obligation or any other of District No. 1's obligations under the Pledge Agreement.

(c) The Districts shall keep and maintain, or cause to be kept and maintained, accurate records and accounting entries reflecting all moneys received or delivered pursuant to the Pledge Agreement and the use(s) of such moneys.

(d) At least once a year in the time and manner provided by law, each of the Districts will cause an audit to be performed of the records relating to its revenues and expenditures. In addition, at least once a year in the time and manner provided by law, each of the Districts will cause a budget to be prepared and adopted. Copies of the budgets and the audits will be filed and recorded in the places, time, and manner provided by law.

(e) Except for the Series 2016A Senior Bonds and any Senior Permitted Refunding Obligations, District No. 2 shall not, without the prior written consent of District No. 1, issue any other Senior Parity Obligations.

Events of Non-Compliance

The occurrence or existence of any one or more of the following events shall be an "Event of Non-Compliance" under the Pledge Agreement, and there shall be no default or Event of Non-Compliance thereunder except as provided in this Section:

(a) District No. 1 fails to impose the Capital Levy or collect or enforce the collection of the Capital Levy Revenue;

(b) District No. 1 fails to remit the Shortfall Payments as required by the terms of the Pledge Agreement;

(c) any representation or warranty made by any party to the Pledge Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompletion would have a material adverse effect upon any other party to the Pledge Agreement;

(d) District No. 1's pledge of the Capital Levy Revenue for the purposes stated in the Pledge Agreement fails to be enforceable with the priority required thereunder;

(e) any party to the Pledge Agreement materially fails in the performance of any other of its covenants in the Pledge Agreement, and such material failure continues for 60 days after receipt of written notice from the other party specifying such default and requiring the same to be remedied;

(f) District No. 1 commences proceedings for dissolution or consolidation with another metropolitan district during the term of the Pledge Agreement; or

(g) (i) any party to the Pledge Agreement shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

Remedies For Events of Non-Compliance

Subject to the provisions of the Pledge Agreement, upon the occurrence and continuance of an Event of Non-Compliance, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Non-Compliance by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions of the Pledge Agreement, the party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

APPENDIX I

FORM OF BOND COUNSEL OPINION

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SPOKANE
WASHINGTON, D.C.
WICHITA

December 22, 2016

Base Village Metropolitan District No. 2
Snowmass Village, Colorado

D.A. Davidson & Co.
Denver, Colorado

$31,260,000
Base Village Metropolitan District No. 2
General Obligation Limited Tax Refunding Bonds
Series 2016A

Ladies and Gentlemen:

We have acted as bond counsel to Base Village Metropolitan District No. 2, in the Town of Snowmass Village, Pitkin County, Colorado (the "District") in connection with the issuance of the District's General Obligation Limited Tax Refunding Bonds, Series 2016A, issued in the aggregate principal amount of $31,260,000 (the "Bonds"). The Bonds were issued pursuant to a resolution adopted by the Board of Directors of the District on November 16, 2016 (the "Bond Resolution") and an Indenture of Trust (the "Indenture") between the District and UMB Bank, n.a., as trustee (the "Trustee"), dated as of December 22, 2016. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Resolution and the Indenture.

We have examined the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraphs 5 and 6 below; and such certified proceedings, certificates, documents, opinions and other instruments as we deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution, the Indenture, closing certificates, and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photostatic.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Bonds are valid and binding limited tax obligations of the District, payable solely from the Pledged Revenue and amounts in the funds and accounts pledged therefor under the Indenture.

2. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the Bonds.

3. Assuming due authorization, execution, and delivery thereof by the Trustee, the Indenture constitutes a valid and binding obligation of the District.

4. The Indenture creates a valid lien on the Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture.

5. Under the laws, regulations, rulings and judicial decisions existing on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by a holder of the Bonds or a related person to purchase or carry the Bonds. The opinions set forth in the preceding sentences assume the accuracy of certain representations of the District and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Bonds. The District has covenanted in the Bond Resolution and in the Tax Compliance Certificate executed and delivered in connection with the issuance of the Bonds to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We note, however, that interest on the Bonds is taken into account in determining adjusted current earnings for purposes of the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes).

6. Under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for State of Colorado income tax purposes and from the calculation of State of Colorado alternative minimum taxable income. We express no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity, by the exercise by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

As bond counsel, we are passing only upon matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any offer or sale of the Bonds or upon any federal or Colorado tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds except those specifically addressed above.

The District is our sole client in this transaction and we have not been engaged by, nor have we undertaken to advise any other party or to opine as to matters not specifically covered herein. This opinion letter is solely for the benefit of the addressees hereof and may not be circulated, quoted or relied upon by any party other than the addressees without our prior written consent, except that a copy may be included in the closing transcripts for the Bonds. The inclusion of D.A. Davidson & Co. as an addressee of this opinion letter does not create or imply an attorney-client relationship between Kutak Rock LLP and such party.