

**ASPEN RESERVE METROPOLITAN DISTRICT
GENERAL INFORMATION AND DISCLOSURE SHEET
(March 2017)**

GENERAL INFORMATION

This General Information and Disclosure Sheet has been prepared by Aspen Reserve Metropolitan District (the "**District**") to provide prospective property owners with general information regarding the District and its operations. This information sheet is intended to provide an overview of pertinent information related to the District and does not purport to be comprehensive or definitive. You are encouraged to independently confirm the accuracy and completeness of all statements contained herein.

ORGANIZATION OF THE DISTRICT

The District was organized pursuant to an Amended Order and Decree entered by the District Court of Adams County on July 1, 2016 and recorded in the real property records of Adams County on July 27, 2016. The District operates pursuant to its Service Plan, approved by the City of Thornton on February 23, 2016 (the "**Service Plan**"). The District is a quasi-municipal corporation and political subdivision of the State of Colorado, which is considered to be a local government under state law and is subject to many of the same statutory requirements that apply to cities and counties. The property within the District is described in the legal description attached hereto as **Exhibit A**.

DISTRICT BOARD OF DIRECTORS

The District is governed by a five-member Board of Directors. Board members are elected by the property owners within the District to staggered four-year terms of office. Any individual who resides within the boundaries of the District, or who owns taxable real or personal property situated within the boundaries of the District, and is a registered voter in Colorado, is eligible to serve on the District's Board of Directors. Regular elections are conducted on the first Tuesday after the first Monday of May in even-numbered years.

DISTRICT POWERS, IMPROVEMENTS, AND SERVICES

The primary purpose of the District is to provide for the planning, design, acquisition, construction, installation relocation and redevelopment of certain public infrastructure improvements and facilities (the "**Public Improvements**") in the Aspen Reserve development. The Service Plan for the District is the document that describes the powers and limitations of the District. Under its Service Plan, the District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in the Service Plan. The District also has the power and intends to provide additional services to District residents and property owners such as covenant enforcement and design review.

Pursuant to the Covenants and Restiictions of Aspen Reserve recorded in the real property records of Adams County at Reception No. 2016-000079759 (the "Covenants"), property owners within the District are responsible for insuring, maintaining, and repairing all Private Improvements. Property owners are encouraged to thoroughly review the Covenants. The District is not responsible for insuring, maintaining, or repairing any Private Improvements within the boundaries of the District. "Private Improvements" include, but are not limited to, the following: (i) all residential units constructed within the District's boundaries, including all exterior and interior walls, and (ii) any landscaping and lawn areas adjacent to such residential units that are not owned by the District.

DISTRICT TAXES AND FEES

In order to pay for the Public Improvements and services provided by the District, the District, just like other local governments, has the power to impose ad valorem property taxes on property within its boundaries. It can also impose rates, fees, tolls and charges on properties that benefit from such Public Improvements and services on property within and outside of its boundaries. Such fees and charges may be imposed to pay a portion of the construction costs or for ongoing services.

In order to fund overhead operations and maintenance costs, the District will impose a yearly Operations Fee of \$600.00 on each property. Funds collected from the Operations Fee will be used to maintain Public Improvements such as common areas and park facilities, landscaping, and to build reserve funds for capital expenditures and improvements.

The District will also impose a Transfer Fee of \$300.00, which will be assessed per Lot, due and payable at the time of any sale, transfer, or resale of any unit which has a certificate of occupancy. This fee is only imposed when and if the property transfers from one owner to another and is intended to offset the District's administrative costs incurred with the transfer of properties within its boundaries.

The primary purpose of the District is to provide for the planning, design, acqmslhon, construction, installation relocation and redevelopment of certain Public Improvements in the Aspen Reserve development. Pursuant to its Service Plan, the maximum debt mill levy the District may impose for debt purposes is **50 mills,¹** subject to the adjustment described below (the "Maximum Debt Mill Levy"). This levy is permitted to be imposed upon the taxable property within the District for payment of Debt. The District also may impose a mill levy to pay for operations and maintenance of the District ("O&M Mill Levy"). The O&M Mill Levy, together with any fees imposed by the District, will also be used to finance covenant enforcement, design review, and trash collection services.

The District's mill levy may be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio. The purpose of such adjustment is to assure, to the extent possible, that the actual tax revenues generated by the mill levy are neither decreased nor increased, as shown in the example below.

¹ Each mill is equal to 1/1000th of a dollar or \$0.001.

Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R) ²	Assessed Value (AV) [VxR=AV]	Mill Levy/Rate (M)	Amount of District Tax Due [AVxM]
2016	\$450,000	7.96%	\$35,820	65.000/0.065000	\$2,328.30
2017	\$450,000	7.49%	\$33,705	69.079/0.006907	\$2,328.30

Explanation: If in 2016 the Actual Value of the Property is \$450,000, and the Assessment Ratio established by the State Legislature for that year is 7.96%, the Assessed Value of the Property is \$35,820 (i.e., \$450,000 x 7.96% = \$35,820). If the District were to certify a mill levy of 65.000 mills, such levy would generate approximately \$2,328.30 in revenue.

If in 2017 the Actual Value of the Property remains at \$450,000, but the Assessment Ratio established by the State Legislature for that year is 7.49%, the Assessed Value would be \$33,705 (i.e., \$450,000 x 7.49% = \$33,705). The District would need to certify a mill levy of 69.079 mills in order to generate the same revenue as in 2016.

THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL, CURRENT, OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY OF THE DISTRICT.

ADDITIONAL INFORMATION

This Information Sheet has been provided to you in an effort to answer anticipated questions raised by residents and property owners within the District. If you have additional questions, please contact the District Manager by writing to Lisa Johnson, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 or by calling 303- 987-0835.

²The assessment ratio is periodically adjusted by the State Legislature under a law that fixes the relationship between the assessed value of commercial property and the assessed value of residential property.

EXHIBIT A

LEGAL DESCRIPTION

Lots 1-7, inclusive, Block 1
Lots 1-19, inclusive, Block 2
Lots 1-8, inclusive, Block 3
Lots 1-28, inclusive, Block 4
Lots 1-26, inclusive, Block 5
Lots 1-12, inclusive, Block 6
Lots 1-16, inclusive, Block 7
Lots 1-15, inclusive, Block 8
Lots 1-5, inclusive, Block 9
Tracts A, B, C, D, E, F, G, Hand J
Villas at Aspen Reserve Subdivision Filing No. 1 - 1st Amendment
City of Thornton, Adams County, Colorado