

**GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
ASPEN STREET METROPOLITAN DISTRICT**

1. What does the District do?

Aspen Street Metropolitan District (the “**District**”) was organized for purposes of financing, constructing, operating and maintaining public improvements for the Aspen Street development (the “**Development**”) in the City and County of Broomfield (“**Broomfield**”), pursuant to the Service Plan for Aspen Street Metropolitan District, approved by the Broomfield City Council on August 28, 2018, by Resolution No. 2018-177, as amended by the First Amendment to Service Plan, approved by the Broomfield City Council on February 11, 2021, by Resolution No. 2020-240, (collectively, the “**Service Plan**”). The District is a governmental entity governed by an elected board of directors comprised of property owners and property taxpayers within the District’s boundaries.

The District’s boundaries are set forth in **Exhibit 1**, attached hereto. It is conceivable that boundary adjustments may be made to the District. Any such boundary adjustments are subject to the prior approval by the owners of the relevant property and must be considered at a public hearing of the District’s Board of Directors.

Pursuant to the Service Plan, the District is authorized to plan for the design, acquisition, construction, installation and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, mosquito control, security, covenant enforcement, and limited fire protection improvements and services. The District may dedicate certain public improvements to Broomfield. The operation and maintenance of public improvements dedicated to Broomfield will rest with Broomfield. Public improvements not dedicated to Broomfield or other appropriate entity will be owned, operated, and maintained by the District.

The District has authority to impose property taxes and fees, rates, tolls, penalties, and charges to fund the construction and operation and maintenance for all improvements generally identified in the Service Plan.

At some point in the future, the District may impose fees and/or rates; all District fees and rates may be adopted and/or amended from time to time by the District’s board of directors at its discretion, as permitted by law.

Certain services may be provided within the District by one or more property owners associations organized as non-profit corporations. If a property owners association is established, property owners will be subject to fees and assessments payable to the association for services and amenities provided by the association (not the District), which will be separate from and in addition to any fees or assessments payable to the District.

2. How much property tax will the District collect to construct improvements and pay for operations?

The District has the authority to impose property taxes for the construction, operation, and maintenance of the improvements generally identified in the Service Plan. The District may issue bonds to provide for the costs of capital improvements within its boundaries. To meet the debt service requirements for bonds the District will impose a mill levy pursuant to the Service Plan. For the portion of any District debt which exceeds 50% of the District's assessed valuation, the mill levy authorized for the repayment of debt may not exceed 50 mills, provided that the mill levy limitation may be adjusted upwards or downwards over time as permitted in the Service Plan. In 2019, due to the legislative reduction in assessment ratio for residential properties from 7.20% to 7.15%, the District's adjusted maximum mill levy for debt is 50.349. With the recent passage of Amendment B in Colorado, no further adjustments in the residential assessment ratio are anticipated at this time.

For the portion of any District debt which is equal to or less than 50% of the District's assessed valuation, the mill levy to be imposed to repay such portion of debt is not subject to the 50.349 mill limitation and may be such amount as is necessary to pay debt service without limitation of rate.

In addition, the District has the authority to impose property taxes to pay operations and maintenance costs associated with the provision of services to its taxpayers and service users.

Various voter limitations exist which may affect the taxing powers of the District, including maximum annual taxing limitations and expenditure limitations. The TABOR Amendment, Article X, Section 20 of the Colorado Constitution, also imposes legal limitations that may restrict the District's taxing and spending authority.

3. What are the advantages of metropolitan districts providing public improvements in lieu of cities or counties?

Special districts are used throughout Colorado to finance public improvements. Because cities and counties often do not provide water and wastewater systems, roads, or recreation facilities in new communities, special districts may be organized to build these facilities. Special districts may also permit earlier construction of recreation facilities and other amenities for the benefit of the community when compared with developments not within special districts. Where special districts are used, the costs of improvements within the community are generally spread over 20 to 30 years and are paid through mill levies.

Special districts are governed by property owners within the community who are better able to address specific issues of concern to the community than could a larger city or county.

4. How can I be assured the District will not issue too many bonds and create unreasonably high mill levies?

All bonds issued by the District are governed by Colorado laws concerning the process by which bonds are issued by special districts. The operation of the District is governed by the Service Plan, which limits the mill levy the District may assess for the repayment of debt, subject to adjustments to account for changes in state law with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. The adjustment allows for tax revenues to be realized by the District in an equivalent amount as would have been realized by the District based on a debt levy of 50 mills absent any change in the manner of the assessment of property for taxation purposes, the ratio for determining assessed valuation, or other similar matters. As noted above, because of these legislative adjustments, the District's current debt mill levy cap is 50.349 mills.

The debt mill levy limit described in paragraph 2 above will remain in place unless and until the Service Plan is amended to permit a change in this limit. This limit, as well as others existing under Colorado law, together with voter approval requirements, are believed adequate to control the tax levies within the District. As noted, however, many of the Service Plan limits and existing voter limits may be amended from time to time.

Market constraints on property sales by the developer also often result in a mill levy within the District that is comparable to mill levies in competing developments to further the community

as an attractive place to purchase property. Therefore, in the initial stages of the development, it is in the District's and the project developer's interest to maintain a mill levy in the District comparable to the total property taxes in other similar communities so that the property taxes paid for the amenities and services in the District are a good value.

5. What will my tax bill look like?

In determining the tax liability due to for residential property, the Broomfield Assessor's Office first determines the actual value of the residential property based upon market approach to value. The actual value of the residential property is then multiplied by the assessment rate, which is set every odd numbered year by the state legislature, to determine the assessed valuation of the residential property.

The current assessment rate on residential property is 7.15%. The mill levy is then multiplied by the assessed valuation of the residential property, resulting in the assessment for the residential property. For example, residential property with an actual value of \$450,000 would have an assessed value of \$32,175 ($\$450,000 \times 7.15\%$). One mill (0.001) applied to that valuation for assessment produces approximately \$32.18 of taxes per one mill ($\$32,175 \times 0.001$).

It is anticipated that the tax bill for your property will show mill levies for the City and County of Broomfield, the District, Regional Transportation District, Boulder Valley RE-2 School District, Urban Drainage and Flood Control District, and North Metro Fire Rescue District, in addition to any other service provider.

According to information available from the Broomfield Assessor, the total overlapping mill levy imposed upon the property within the boundaries of the District, but without any District mill levy, was 94.073 mills for tax year 2020 for collection in the year 2021. Therefore, without the District, the annual tax bill levied on a residential property with an actual value of \$450,000 would be approximately \$3,027 ($\$32.18 \text{ per mill} \times 94.073 \text{ mills}$).

The District may impose a mill levy for operations and a mill levy for debt. The maximum mill levy the District is permitted to levy for debt is 50.349 mills (0.050349), subject to certain adjustments and release provisions.¹ The portion of the annual tax bill levied by the District for debt on a residential property with an actual value of \$450,000 would be approximately \$1,620 ($\$32.18 \text{ per mill} \times 50.349 \text{ mills}$), assuming the maximum District debt mill levy and no operations

mill levy.

The tax bill for your property will also include mill levies from other taxing entities that overlap with the District's boundaries, making the total annual tax bill levied on the residential property in this example approximately \$4,647 (\$3,027 + \$1,620).

Colorado's taxing entities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current mill levies imposed on any property is by contacting the Broomfield Assessor's office directly.

6. Where can I get additional information regarding the District?

This document is not intended to address all issues associated with special districts generally or with the District specifically. The Service Plan contains a full description of the District's purpose and functions. Prospective purchasers of property within the District are encouraged to read this document. A copy of the District's Service Plan is available in the Broomfield City Clerk's Office.

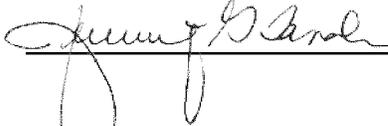
For additional information about the District, prospective purchasers may also contact the District's attorney's office of White Bear Ankele Tanaka & Waldron, 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; (303) 858-1800.

The District's meetings are open to the public, at which time you can raise questions regarding any matter related to the activities of the District.

Dated this 14th day of April, 2021.

ASPEN STREET METROPOLITAN DISTRICT

By: Jennifer Gruber Tanaka, General Counsel



Purchaser's Signature Acknowledging Receipt:

EXHIBIT 1

District Boundaries

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 1 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF BROOMFIELD, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: BEARINGS SHOWN HEREON ARE GRID BEARINGS DERIVED FROM RTK FAST STATIC GPS OBSERVATIONS AND ARE BASED UPON THE COLORADO COORDINATE SYSTEM OF 1983 NORTH ZONE (NAD 83, 2011), BETWEEN BROOMFIELD CONTROL POINT "GPS NO. 3" AND BROOMFIELD CONTROL POINT "NGS V411" WHICH BEARS SOUTH 14°07'11" EAST, A DISTANCE OF 10,642.88 FEET.

PARCEL A:

COMMENCING AT THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 24;

THENCE ALONG THE EAST LINE OF SAID WEST HALF, SOUTH 00°03'36" EAST, A DISTANCE OF 87.50 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL 29-C ROW AS RECORDED UNDER RECEPTION NO. 2019002518 IN THE CLERK AND RECORDER'S RECORDS OF BROOMFIELD COUNTY, STATE OF COLORADO AND THE **POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID EAST LINE, SOUTH 00°03'36" EAST, A DISTANCE OF 2124.40 FEET TO THE NORTHERLY BOUNDARY OF ASPEN CREEK FILING NO. 5 AS RECORDED UNDER RECEPTION NO. 2094368 IN THE CLERK AND RECORDER'S RECORDS OF BOULDER COUNTY, STATE OF COLORADO;

THENCE ALONG SAID NORTHERLY BOUNDARY, NORTH 89°50'57" WEST, A DISTANCE OF 1300.59 FEET TO THE EASTERLY RIGHT-OF-WAY OF ASPEN STREET AS RECORDED UNDER RECEPTION NO. 1412159 IN SAID RECORDS OF BOULDER COUNTY;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, NORTH 00°06'35" WEST, A DISTANCE OF 1276.19 FEET TO THE SOUTHERLY LINE OF THE FARMERS RESERVOIR AND IRRIGATION COMPANY COMMUNITY DITCH RECORDED IN BOOK 465 PAGE 458 IN SAID BOULDER COUNTY RECORDS;

THENCE ALONG SAID SOUTHERLY LINE THE FOLLOWING SIX (6) COURSES;

1. NORTH 76°50'44" EAST, A DISTANCE OF 51.00 FEET;
2. NORTH 89°00'32" EAST, A DISTANCE OF 242.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 325.00 FEET;
3. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°34'32", AN ARC LENGTH OF 150.75 FEET;
4. NORTH 62°26'00" EAST, A DISTANCE OF 448.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 200.00 FEET;
5. NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°51'15", AN ARC LENGTH OF 100.72 FEET;

6. NORTH 33°34'45" EAST, A DISTANCE OF 622.36 FEET TO THE SOUTHERLY BOUNDARY OF THAT CERTAIN PARCEL 29-C ROW AS RECORDED UNDER RECEPTION NO. 2019002518 IN SAID RECORDS OF BROOMFIELD COUNTY;

THENCE ALONG SAID SOUTHERLY BOUNDARY, SOUTH 89°30'27" EAST, A DISTANCE OF 48.78 FEET TO THE **POINT OF BEGINNING**;

CONTAINING AN AREA OF 45.847 ACRES, (1,997,110 SQUARE FEET), MORE OR LESS.

PARCEL B:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 24;

THENCE ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24, SOUTH 00°06'35" EAST, A DISTANCE OF 105.05 FEET;

THENCE DEPARTING SAID WEST LINE, NORTH 89°53'25" EAST, A DISTANCE OF 30.00 FEET TO THE SOUTHERLY BOUNDARY OF THAT CERTAIN PARCEL 29-A ROW AS RECORDED UNDER RECEPTION NO. 2019002518 IN SAID RECORDS OF BROOMFIELD COUNTY, AND THE **POINT OF BEGINNING**;

THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING TWO (2) COURSES;

1. NORTH 45°10'04" EAST, A DISTANCE OF 24.36 FEET;
2. SOUTH 89°30'27" EAST, A DISTANCE OF 416.77 FEET TO THE WESTERLY BOUNDARY OF THAT CERTAIN MILE HIGH WATER COMPANY PARCEL AS RECORDED UNDER RECEPTION NO. 688312 IN BOOK 1211 AT PAGE 16 IN SAID RECORDS OF BOULDER COUNTY;

THENCE ALONG THE WESTERLY, SOUTHERLY, AND EASTERLY BOUNDARY OF SAID MILE HIGH WATER COMPANY PARCEL THE FOLLOWING THREE (3) COURSES;

1. SOUTH 00°29'33" WEST, A DISTANCE OF 42.50 FEET;
2. SOUTH 89°30'27" EAST, A DISTANCE OF 100.00 FEET;
3. NORTH 00°29'33" EAST, A DISTANCE OF 42.50 FEET TO THE SOUTHERLY BOUNDARY OF THAT CERTAIN PARCEL 29-B ROW AS RECORDED UNDER RECEPTION NO. 2019002518 IN SAID BROOMFIELD COUNTY RECORDS;

THENCE ALONG SAID SOUTHERLY BOUNDARY, SOUTH 89°30'27" EAST, A DISTANCE OF 223.86 FEET TO THE WESTERLY BOUNDARY OF THAT CERTAIN UNITED STATES OF AMERICA PARCEL 1 AS RECORDED UNDER RECEPTION NO. 01600198 IN SAID RECORDS OF BOULDER COUNTY;

THENCE ALONG THE WESTERLY AND SOUTHERLY BOUNDARY OF SAID PARCEL 1 THE FOLLOWING TWO (2) COURSES;

1. SOUTH 00°29'33" WEST, A DISTANCE OF 240.85 FEET;
2. SOUTH 89°30'27" EAST, A DISTANCE OF 279.18 FEET TO THE NORTHERLY LINE OF SAID FARMERS RESERVOIR AND IRRIGATION COMPANY COMMUNITY DITCH;

THENCE ALONG SAID NORTHERLY LINE THE FOLLOWING SIX (6) COURSES;

1. SOUTH 33°34'45" WEST, A DISTANCE OF 302.32 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 150.00 FEET;
2. SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°51'15", AN ARC LENGTH OF 75.54 FEET;
3. SOUTH 62°26'00" WEST, A DISTANCE OF 448.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 275.00 FEET;
4. WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°34'32", AN ARC LENGTH OF 127.55 FEET;
5. SOUTH 89°00'32" WEST, A DISTANCE OF 247.43 FEET;
6. SOUTH 76°50'44" WEST, A DISTANCE OF 44.74 FEET TO SAID EASTERLY RIGHT-OF-WAY OF ASPEN STREET;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, NORTH 00°06'35" WEST, A DISTANCE OF 787.33 FEET TO THE **POINT OF BEGINNING**;

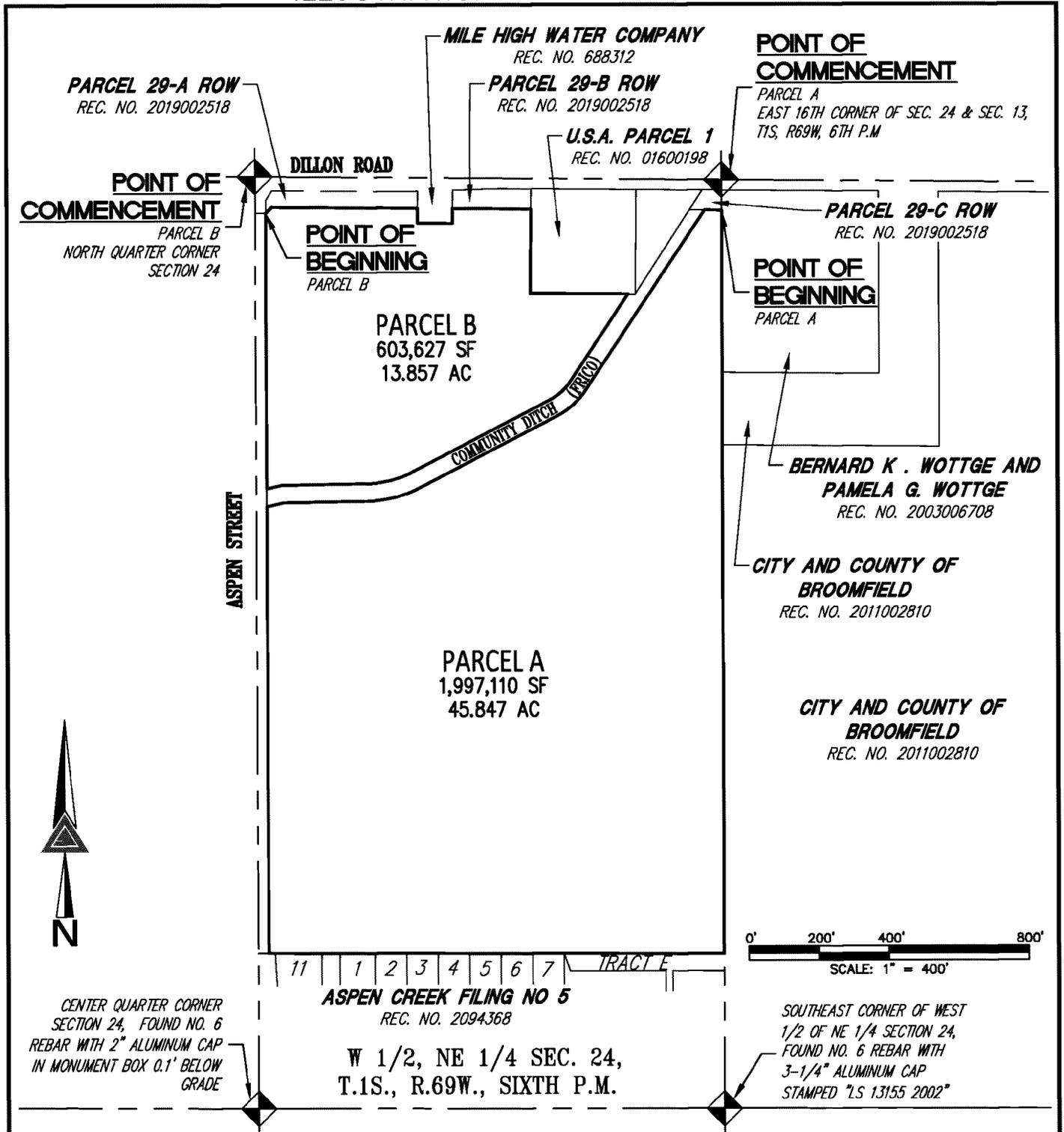
CONTAINING AN AREA OF 13.857 ACRES, (603,627 SQUARE FEET), MORE OR LESS.

TOGETHER CONTAINING AN AREA OF 59.704 ACRES, (2,600,737 SQUARE FEET), MORE OR LESS



ANTHONY K. PEAL
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR NO. 38636
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.
300 E. MINERAL AVENUE, SUITE 1, LITTLETON, CO 80122
303-713-1898

ILLUSTRATION TO EXHIBIT A



NOTE: THIS DRAWING DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.

PATH:
DWG NAME: 54819-22 - District Boundary.DWG
DWG: CWB CHK: AKP
DATE: 12/4/2019
SCALE: 1" = 400'

AZTEC
CONSULTANTS, INC.

300 East Mineral Ave,
Suite 1
Littleton, Colorado 80122
Phone: (303)713-1898
Fax: (303)713-1897
www.aztecconsultants.com

Q:\54819-22 - Aspen Street Plat\Draw\Exhibit

DISTRICT EXHIBIT
W 1/2, NE 1/4 SEC. 24, T1S, R69W, 6TH P.M.
BROOMFIELD COUNTY, COLORADO
JOB NUMBER 54819-22 4 OF 4 SHEETS