



SOUTH TIMNATH
METRO DISTRICT

✓ Upon recording return to Office address:

South Timnath Metropolitan Districts
1927 Wilmington Drive Suite 101
Fort Collins, Colorado 80528

**AMENDED GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING
THE SOUTH TIMNATH METROPOLITAN DISTRICT NOS. 1 & 2
LARIMER COUNTY, COLORADO**

1. What is a special district and what does it do?

Colorado special districts are local governments just as municipalities (cities and towns) and counties are considered local governments. Often, municipalities and counties are limited by law and other factors as to the services they may provide. Therefore, special districts are formed to provide necessary public services that the municipality or county cannot otherwise provide. Keep in mind the South Timnath Metro Districts is its own entities, the developer, builder, real estate agents, or current homeowner cannot change, make any promises, waivers or commitments to the taxes, O and M fees when they apply, Guidelines /Covenants, for the Districts.

South Timnath Metropolitan Districts Nos. 1, 2, and 3 (collectively, the "District") were organized pursuant to Orders of the Larimer County District Court following an election in May 2006, at which time a majority of the eligible electors voted in favor of the formation of the District, elected members to the initial board of directors and voted in favor of certain tax and debt authorization. District No. 3 was combined with District No. 2 in August 2007.

The District is a quasi-municipal governmental entity with the power to impose property taxes and other fees and charges for services within its boundaries. Legal descriptions and a current map of the District are attached hereto as Exhibit "A." The District is governed by an elected board of directors made up of property owners from each district. Pursuant to the Amended and Restated Consolidated Service Plan for South Timnath Metropolitan District Nos. 1 & 2 (the "Amended Service Plan"), approved by the Town of Timnath August 8, 2007, the District has the ability and responsibility for constructing major public improvements including, but not limited to park and recreation, water, drainage, wastewater and road improvements within its boundaries. The District has authority to own, operate, and maintain drainage improvements, any recreation, and associated facilities, parks, tract landscaping, detention ponds and trail systems and other public facilities and infrastructure not otherwise dedicated to or accepted by the Town or other applicable public entity, upon appropriate approval of the Town. If the District operates and maintains such facilities, the expense associated with such activity may be paid from the District's tax revenues and/or fees lawfully imposed by the District.

2. May the Districts Impose Any Fees Upon Me as a Property Owner?

Special Districts are governmental entities, and have the power to impose property taxes and to adopt and charge fees, rates, tolls, penalties, or charges for services including but not limited to general administrative, operations and maintenance services. The District has currently established an Operations and Maintenance Fee of \$540.00 per year (**Subject to change**) to be assessed against all platted lots or residential dwelling units in 2009 to pay for the costs associated with the operation and maintenance of public facilities and services to be provided by the Districts including but not limited to: landscaping, common areas, operations and maintenance of the public pool, park and recreation facilities and improvements, and the costs associated with assuming the ownership and operation of

all facilities, improvements and services traditionally provided by homeowners associations as permitted by Colorado law.

A "Non-District Pool User Fee" of up to one thousand dollars (\$1,000.00) per year for each family/membership residing outside of the Districts desiring to use the Districts' Public Pool was also established for out of District users in order to pay for the costs associated with the use, operation, maintenance, and related services of the Districts' Pool and related facilities and improvements, and to include an administrative fee and to account for other fees and taxes paid by residents of the Districts to subsidize the construction, operation and maintenance of public facilities and improvements related to the District Pool and recreation facilities.

All District fees and rates may be adopted and/or amended from time to time by the District's board of directors at their discretion, as permitted by law.

A homeowners association is separate and distinct from the special districts, and is generally responsible for reviewing architectural plans for the construction of new homes and enforcing restrictive covenants in the community to help maintain property values. The homeowners association is normally responsible for the maintenance and operation of the common areas and other landscaping within a community and may assess dues to its members but has no ability to impose taxes. The Districts have the ability to enforce covenants, guidelines, perform design review, and perform many homeowners' association responsibilities at favorable rates payable through tax deductible property taxes or District Fees. The Districts, the developer and the builders within the Districts have elected to have the Districts perform as many of the homeowners' association functions and services as permitted by law and avoid the need for a separate homeowners association and a separate homeowners' association fee.

See the Community Covenants and Guidelines and understand them, by signing this district disclosure you are also agreeing to follow the community covenants and guidelines. The Covenants and Guidelines go over such items as Commercial Vehicles Parking Restrictions, Vehicles with logo's Restrictions, very limited parking of RV's, trailers, boats, etc., understand Landscape Requirements, Required Fencing, Required Fence Stain, etc... Then get items approved using the Architectural Design Application.

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

The District has the authority to impose property taxes for all of the activities identified in its "Service Plan," a copy of which is on file with the Town of Timnath, Colorado and which is available to prospective purchasers. The District may issue bonds to provide for the costs of capital improvements within its boundaries. Once the bonds are sold, they must be repaid over time with interest. The maximum repayment period for the bonds is forty (40) years. The annual payment on the bonds is known as "debt service." In order to meet the debt service requirements for the bonds, and to pay operations and maintenance costs associated with the provision of services, the District will impose a mill levy under the Service Plan. The total combined mill levy for both operations and debt service is capped pursuant to the Service Plan at 50 mills; the debt service portion of the total combined mill levy is further capped at 35 mills; the mill levies may be adjusted upward or downward over time as permitted in the Service Plan as discussed below.

4. Why are special districts used for financing public infrastructure?

Many areas in Colorado utilize special districts to finance public improvements. Homeowners often are surprised to find that they have lived for years in water and sanitation districts, or other types of special districts. Since cities and counties typically do not provide for construction or installation of water and wastewater systems, roads, or recreation facilities in new communities, special districts are organized to build these facilities. Special districts and the financial powers they utilize permit early

construction of recreation facilities and other amenities for the benefit of the community. Where special districts are established, the costs of public improvements within the community are generally spread over 20 to 30 years and are paid from mill levies which, under current tax laws, may result in federal income tax benefits.

5. What limitations exist to make sure the Districts do not issue too many bonds and create unreasonably high mill levies?

All general obligation bonds anticipated to be issued by the District will be governed by the controls adopted by the Colorado legislature and governing the process by which bonds are issued by special districts. In addition, the organization and operation of the District was overseen by the Town through its approval of the Service Plan. The Town and the Service Plan currently has limited the aggregate mill levy cap that may be assessed by the District to 50 mills, that portion of the aggregate mill levy which may be used for debt service to 35 mills, both subject to adjustment 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 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.

In addition, various voter limitations exist which 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 provides for

Various legal limitations which may restrict the taxing and spending authority of the District.

The mill levies expected in the District are reasonable and comparable to other developments served by special districts that provide similar services and amenities. The debt limit and the mill levy cap will remain in place for general obligation limited tax bonds issued by the District. These limits, as well as others existing under Colorado law and various voter approvals, are believed to be adequate to control the tax levels within the District.

Market constraints on property sales by the developer also require that the mill levy within the District be comparable to mill levies in competing development areas in order to further the community as an attractive place for individuals to buy homes. Therefore, in the initial stages of the development, it is in both the District's and the project developer's best 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.

6. Who bears the risk that the community may not fully develop?

During the early stages of development, the developer of the project will be providing necessary funding and advancing funds to the District to pay for the public infrastructure construction costs and operational needs. The developer advances will be reimbursed at the time the District is able to issue general obligation, limited tax bonds. Property taxes paid and collected within the District will help pay the costs of all bonds. Therefore, if the actual build-out that occurs is less than what is projected, the individual property owners will not experience an increase in their tax obligations to the District beyond the limits described herein. The limited mill levy will be assessed the same on each home and other taxable property in the District regardless of the number of taxable structures. This results in the risk of development being shared by bondholders and the developer. The property owners also share risk relative to the bonds, but this risk is limited as discussed above.

7. What will the tax bill look like, and what are the various taxes used for?

It is anticipated that the tax bill for individual properties will show mill levies for Larimer County, the Town of Timnath, school districts and various other public service providers, including the District. Colorado municipalities certify their mill levies on an annual basis, so the most accurate manner of ascertaining the specific taxing entities and current total and overlapping mill levy on any property is to directly contact the County Treasurer and Assessor. Attached hereto as Exhibit "B" is a general formula for the manner in which residential property in Colorado is assessed.

In summary, it is anticipated that the total mill levy charged to properties within the boundaries of the District will be comparable to those of surrounding, similar communities.

8. Where can one get additional information regarding the Districts?

This document is not intended to address all issues associated with special districts generally or with the District specifically. More information may be obtained by contacting the District's Manager at: (Call for current address)


District mailing address: 6000 Summerfield Parkway * Timnath * Colorado 80547

Office address: 1927 Wilmington Drive, Suite 101, Fort Collins, Colorado 80528.

District Address subject to change, see web site for new address and contact information. Phone: (970) 225-1515 or e-mail at manager@southtimnathmetrodistrict.com; The Colorado Department of Local Affairs, or by attending District meetings. Normally two meeting's per year, or when posted. Meetings held at 1927 Wilmington Drive, Suite 101, Fort Collins, Colorado 80528. The District is also required to keep minutes and other records that are open for inspection by any citizen, hold elections for the boards of directors, adopt annual budgets, and submit to financial audits.

SOUTH TIMNATH METROPOLITAN DISTRICTS No. 1 AND No. 2.

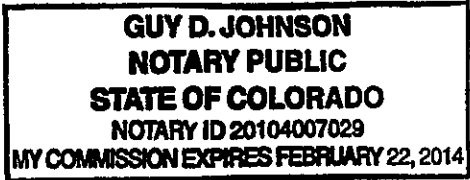
(AMENDED GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING THE SOUTH TIMNATH METROPOLITAN DISTRICT NOS. 1 & 2 LARIMER COUNTY, COLORADO)

Signed: 
By: Dino DiTullio
Its: President

STATE OF COLORADO)
) ss:
COUNTY OF LARIMER)

The foregoing Amended and Restated General Disclosure and Common Questions Regarding the South Timnath Metropolitan Districts Nos. 1 & 2, was acknowledged before me this 24th day of June, 2013, by Dino DiTullio as President of South Timnath Metropolitan Districts No. 1 and No. 2.

Witness my hand and official seal. My commission expires: 2/22/2014




Notary Public



SOUTH TIMNATH
METRO DISTRICT

I, _____,

I, _____,

I, _____,

Hereby acknowledge that I have received and read this AMENDED AND RESTATED GENERAL DISCLOSURE AND COMMON QUESTIONS REGARDING THE SOUTH TIMNATH METROPOLITAN DISTRICTS.

Buyer Signature Address Date

Buyer Signature Address Date

Buyer Signature Address Date

New Homeowners must sign recorded Amended General Disclosure form.

Note:

Annual Operations and Maintenance fees of \$540.00 per calendar year. **(O and M fee subject to change)**

O and M fees are due quarterly at \$135.00 per quarter, check with District on current O and M fee amounts.

O and M due dates: March 1, June 1, September 1 and December 1. (District will send out quarterly O and M invoice)

See and read web site for information on Covenants, Guidelines, Rules and Regulations, Budgets, Public

Pool and Rules, Commercial Vehicles Parking Restrictions, Restrictions on vehicles with logo's,

Restrictions on very limited parking of RV's, trailers, boats, etc., Architectural Design Application for

Landscape Requirements, Required Fencing, Required Fence Stain, etc...

Elections for the Board of Directors are in even numbered years. (2014, 2016, etc.) Every two years in May.

Return a copy of this page along with a copy of warranty Deed and check to the District



SOUTH TIMNATH
METRO DISTRICT

EXHIBIT A

**LEGAL DESCRIPTION AND MAP OF THE PROPERTY WITHIN THE
SOUTH TIMNATH METROPOLITAN DISTRICT NOS. 1 & 2**

**A Parcel of land being part of Section 12, Township 6 North, Range 68 West of the Sixth
Principal Meridian (6th P.M.), Town of Timnath, County of Larimer, State of Colorado**

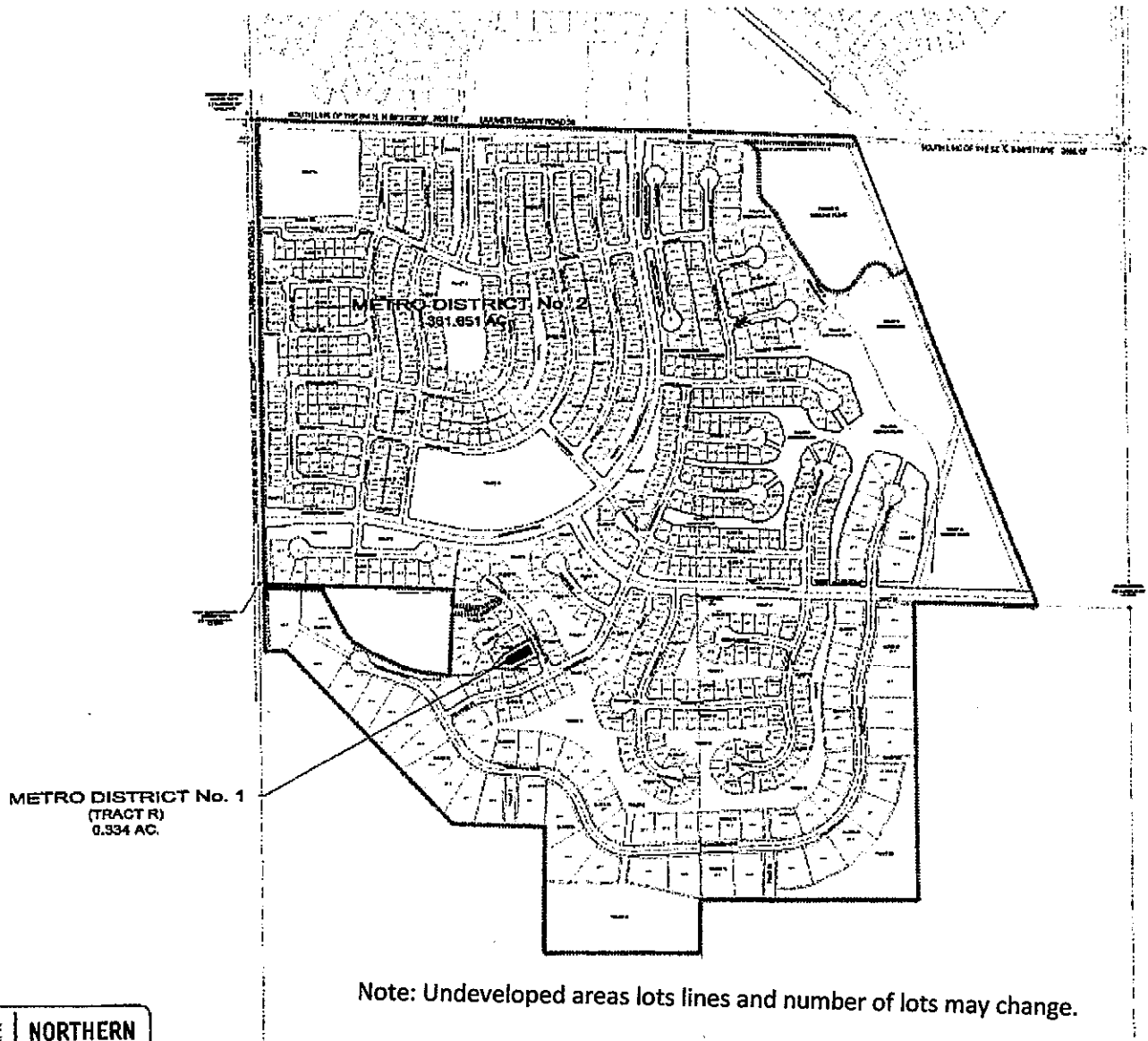
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SOUTH TIMNATH
METRO DISTRICT

SOUTH TIMNATH DISTRICT MAP

SECTION 12, TOWNSHIP 6 NORTH, RANGE 68 WEST,
TOWN OF TIMNATH, COUNTY OF LARIMER, STATE OF COLORADO





SOUTH TIMNATH
METRO DISTRICT

EXHIBIT B

GENERAL FORMULA FOR ASSESSMENT OF RESIDENTIAL PROPERTY

The assessment for a home is determined as follows:

1. The County Assessor's Office determines the Actual Value of the home based upon sales prices of comparable homes in the area.
2. To determine the Assessed Valuation, the Actual Value of the home is multiplied by the Assessment Ratio, which is set every odd numbered year by the state legislature. As of January 1, 2008, the Assessment Ratio was 7.96%. The current Assessment Ratio can be obtained from the County Assessor's Office.
3. The applicable Mill Levy is multiplied by the Assessed Valuation of the home, resulting in the assessment for the home.

For example, a home with an Actual Value of \$250,000 at a time when the Assessment Ratio is 7.96% would have an Assessed Value of \$19,900. One mill (.001) applied to that valuation for assessment produces \$19.90 of taxes. If the total District mill levy is 35 mills (.035), the portion of the homeowner's annual tax bill levied by the District would be \$697.

Note:

Annual Operations and Maintenance fees per calendar year. **(O and M fee subject to change)**

O and M fees are due quarterly, check with District on current O and M fee amounts.

O and M due dates: March 1, June 1, September 1 and December 1. (District will send out quarterly O and M invoice)

See and read web site for information on Covenants, Guidelines, Rules and Regulations, Budgets, Public Pool and Rules, Commercial Vehicles Parking Restrictions, Restrictions on vehicles with logo's, Restrictions on very limited parking of RV's, trailers, boats, etc., Architectural Design Application for Landscape Requirements, Required Fencing, Required Fence Stain, etc...

Elections for the Board of Directors are in even numbered years. (2014, 2016, etc.) Every two years in May.

Operations and Maintenance fees may change call District for current O and M fee rate.