

SUNLIGHT METROPOLITAN DISTRICT
DISCLOSURE TO PURCHASERS

This Disclosure to Purchasers has been prepared by Sunlight Metropolitan District (the “**District**”) to provide prospective property owners with general information regarding the District and its operations. This Disclosure to Purchasers 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.

DISTRICT’S ORGANIZATION / SERVICE PLAN

The property within the Sunlight development is located within the boundaries of the District. The District is a quasi-municipal corporation and political subdivision of the State of Colorado organized in the City of Steamboat Springs (“**City**”). The District operates pursuant to its Service Plan, as approved by the City Council on August 2, 2016 (the “**Service Plan**”) and by the powers authorized by Section 32-1-1004, of the Colorado Revised Statutes (the “**C.R.S.**”) as may be amended from time to time.

The purpose of the District is to design, acquire, construct, install, relocate, redevelop, own, operate and finance certain water, sanitary sewer and storm sewer, street, safety protection, parks and recreation, transportation, mosquito control, fire protection, TV relay and translation improvements and services (“**Public Improvements**”) as defined in the Service Plan for the benefit of property within the District’s boundaries. The majority of the Public Improvements will be dedicated to the City for on-going operation and maintenance (i.e., streets, water and sewer). The District is authorized to operate and maintain any improvements not dedicated to the City, which may include open space, recreational improvements and facilities such as trails, a dog park and landscaping, as well as to provide covenant enforcement and design review services to the extent that such services are not provided by a homeowners’ association.

A copy of the District’s Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is governed by a five-member Board of Directors, who must be qualified as eligible electors of the District. The Board’s regular meeting dates may be obtained from the District Counsel, McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203; (303) 592-4380.

FINANCIAL INFORMATION

Revenue Sources

Property Taxes. The District's primary source of revenue to finance construction of Public Improvements and to pay its ongoing operation, maintenance and administrative expenses will come from property taxes imposed on taxable property of the District. Along with other taxing entities, the District certifies a mill levy by December 15th of each year which determines the taxes paid by each property owner in the following year. The District anticipates imposing a mill levy of 35.000 mills for tax collection year 2018.

Debt Service Mill Levy. The maximum debt service mill levy the District is permitted to impose under the Service Plan to finance Public Improvements is 50 mills. The Debt Mill Levy Cap may be adjusted due to changes in the statutory or constitutional method of assessing property tax or in the assessment ratio (i.e., the Gallagher Adjustment), as shown below.

Operations and Maintenance Mill Levy. In addition to imposing a debt service mill levy, the District is also authorized by the Service Plan to impose a separate mill levy to generate revenues for the provision of administrative, operations and maintenance services (the "**Operations and Maintenance Mill Levy**"). The amount of the Operations and Maintenance Mill Levy may be increased as necessary, separate and apart from the debt mill levy.

THE FOLLOWING 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.

District Property Tax Calculation Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy ¹ /Rate ² (M)	Amount of District Tax Due [AV x M]
(a) 2018	\$500,000	7.20%	\$36,000.00	35.000/.035000	\$1,260

¹Based on a projected mill levy, not a representation of any actual current or future mill levy

²Each mill is equal to 1/1000th of a dollar

If in 2018 the Actual Value of the Property is \$500,000, and the Residential Assessment Ratio established by the State Legislature for that year is 7.20%, the Assessed Value of the Property is \$36,000.00 (i.e., \$500,000 x 7.20% = \$36,000.00). If the District certifies a combined debt and operations mill levy of 35.000 mills, it would generate approximately \$1,260 in revenue for the District.

Fees. In addition to property taxes, the District may also rely upon various other revenue sources authorized by law to offset the expenses of capital construction and district management, operations and maintenance. Pursuant to its Service Plan, the District has the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32 of the Colorado Revised Statutes, as amended. For example, the District has imposed fees to cover the costs of design review services.

Debt Authority. The District intends to issue debt to finance Public Improvement construction costs. Any debt issued by the District, the proceeds of which may only be used to repay actual costs of the Public Improvements, will be repaid from revenues derived from the Debt Service Mill Levy and any other legally available revenues of the District. The amount of debt the District may issue is limited by its Service Plan to a maximum amount of Twelve Million Dollars (\$12,000,000).

DISTRICT BOUNDARIES

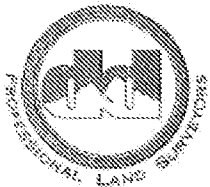
This Disclosure shall apply to the property within the boundaries of the District, which property is described on **Exhibit A** and **Exhibit B**, both attached hereto and incorporated herein by this reference.

CONTACT INFORMATION

Should you have any questions with regard to these matters, please contact:

District Counsel:
McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203
Phone: 303.592.4380

Dated this 14th day of June, 2017.

EXHIBIT B**Legal Description of District Boundaries****D & D INC.**

A PROFESSIONAL LAND SURVEYING AND PLANNING CO.
 2145 RESORT DR., SUITE 102, FRIEDLAND SPRINGS, CO 80437
 PH: 970-873-2715 • FAX: 970-870-8700

June 2nd, 2016
 Revised July 14th, 2016

Description of a parcel of land located in the SE1/4SW1/4 and the S1/2SE1/4 of Section 6 and in the N1/2NE1/4 of Section 7, T6N, R64W, of the 6th P.M., Routt County, Colorado.

Beginning at the NW corner of the SW1/4SE1/4 of Section 6, from which the S1/4 Corner of said Section 6 bears S 01°13'35" W 1320.00 feet;
 Thence N 89°10'14" E 133.09 feet along the north line of the SW1/4SE1/4 of Section 6 to the True Point of Beginning;
 Thence S 01°13'35" W 279.94 feet;
 Thence N 89°32'00" W 383.31 feet;
 Thence S 30°00'18" W 229.86 feet;
 Thence S 01°13'35" W 300.00 feet to the north line of Sunlight Commercial Center, a subdivision as filed by plat with the Routt County Clerk and Recorder appearing at Reception No. 72346
 Thence S 89°32'00" E 146.47 feet along said north line to the NW corner of Lot 2 of said subdivision;
 Thence along the northwesterly boundary of said Lot 2 the following seven (7) calls:
 1. Thence S 34°36'48" W 21.13 feet to a point of curvature from which the radius point bears S 55°23'12" E 184.00 feet;
 2. Thence along said curve to the left a distance of 62.11 feet, with a central angle of 19°20'22", and whose chord bears S 24°56'37" W 51.81 feet;
 3. Thence S 15°16'26" W 131.96 feet to a point of curvature from which the radius point bears N 74°43'33" W 116.00 feet;
 4. Thence along said curve to the right a distance of 217.24 feet, with a central angle of 107°18'10", and whose chord bears S 68°55'31" W 186.86 feet;
 5. Thence N 57°25'23" W 52.78 feet to a point of curvature from which the radius point bears S 32°34'37" W 244.00 feet;
 6. Thence along said curve to the left a distance of 98.38 feet, with a central angle of 13°14'24", and whose chord bears N 64°02'35" W 58.26 feet;
 7. Thence S 19°20'12" W 68.69 feet to a point of curvature

Page 1 of 4
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From which the radius point bears S 19°20'13" W 176.00 feet;

Thence along said curve to the right a distance of 40.47 feet, with a central angle of 13°14'24", and whose chord bears S 64°02'35" E 40.56 feet;

Thence S 87°38'23" E 82.78 feet to a point of curvature from which the radius point bears N 32°34'17" E 184.00 feet;

Thence along said curve to the left a distance of 269.67 feet, with a central angle of 83°58'20", and whose chord bears N 80°35'27" E 246.17 feet;

Thence S 01°28'36" W 102.63 feet to the north line of a tract of land as described in deed recorded with the Routt County Clerk and Recorder appearing in Book 369 at Page 57;

Thence S 88°31'24" E 504.47 feet along said north line to the NE corner of said tract of land;

Thence S 01°28'36" W 358.90 feet to the SE corner of said tract of land;

Thence S 01°28'36" W 319.43 feet to the north line of the third parcel of land as described in deed recorded with the Routt County Clerk and Recorder appearing in Book 300 at Page 581;

Thence continuing along the north line of said third described parcel S 88°09'24" E 635.50 feet to its intersection with the west line of the second parcel of land as described by deed recorded with the Routt County Clerk and Recorder appearing in Book 300 at Page 581;

Said north line being also the south line of a parcel of land as described by deed recorded with the Routt County Clerk and Recorder appearing at Reception No. 525861;

Thence N 03°42'39" E 514.04 feet along an east line of said parcel of land (Reception No. 525861);

Thence N 03°42'39" E 49.79 feet along an east line of said parcel of land to the north line of the NW1/4NE1/4 of Section 7;

Thence N 88°14'19" E 379.33 feet along a south line of said parcel of land and along the south line of the SW1/4SE1/4 to the SE corner of the SW1/4SE1/4 of Section 4;

Said corner being also on the west line of a tract of land as described in deed as filed with the Routt County Clerk and Recorder appearing at Reception No. 701157 and more particularly in Exhibit "A";

Thence along the outer boundary of said tract the following seven (7) calls;

1. Thence S 03°14'01" W 1060.40 feet;

2. Thence N 85°18'10" E 169.08 feet;
 3. Thence N 02°12'03" E 72.95 feet to a point of curvature from which the radius point bears N 87°44'57" W 315.00 feet;
 4. Thence along said curve to the left a distance of 116.99 feet, with a central angle of 31°10'34", and whose chord bears N 13°20'14" W 115.55 feet;
 5. Thence N 28°08'12" W 99.61 feet;
 6. Thence N 01°51'07" E 480.00 feet;
 7. Thence N 01°51'07" E 139.71 feet;
 Thence S 01°51'07" E 480.00 feet;
 Thence N 88°08'12" W 99.61 feet to the east line of the SW1/4SE1/4 of Section 6;
 Thence N 01°51'36" E 139.65 feet along said east line to the NE corner of said SW1/4SE1/4;
 Thence S 88°14'15" W 1250.92 feet along the north line of said SW1/4SE1/4 to the True Point of Beginning.

Containing 84.60 Acres more or less.

EXCEPT THE FOLLOWING DESCRIBED PARCEL;
 Description of a parcel of land located in the SE1/4SE1/4 of Section 6 and in the NE1/4NE1/4 of Section 7, T6N, R64W, of the 6th P.M., Routt County, Colorado.

Beginning at the SW Corner of the SE1/4SE1/4 of Section 6 from which the S1/4 Corner of Section 6 bears S 88°14'15" W 1250.92 feet;

Thence N 01°51'36" E 139.65 feet along the west line of said SE1/4SE1/4 to the NW corner of that certain tract of land as described in Exhibit A attached to the deed recorded with the Routt County Clerk and Recorder appearing at Reception No.70112;
 Thence continuing N 01°51'36" E 139.65 feet along the west line of said SE1/4SE1/4;
 Thence S 88°08'12" E 99.61 feet;
 Thence S 01°51'07" W 480.00 feet to the SE corner of that certain tract of land as described in Exhibit A attached to the deed recorded with the Routt County Clerk and Recorder appearing at Reception No.70112;
 Thence along the easterly boundary line of said tract of land the following five (5) calls;
 1. Thence S 01°51'07" W 139.71 feet;

- 2. Thence S 03°12'56" W 602.67 feet;
 - 3. Thence S 28°55'31" E 62.64 feet to a point of curvature from which the radius point bears S 61°04'29" W 215.00 feet;
 - 4. Thence along said curve to the right a distance of 116.99 feet, with a central angle of 31°10'34", and whose chord bears S 23°20'14" E 115.55 feet;
 - 5. Thence S 02°15'03" W 72.95 feet to the south line of the above said NE1/4NE1/4 of Section 7;
- Thence E 85°18'10" W 169.08 feet along said south line to the SW corner of said NE1/4NE1/4 and along the south line of said tract of land to the SW corner of said tract of land;
- Thence N 03°14'01" E 1060.49 feet along the west line of said NE1/4NE1/4 and along the west line of said tract of land to the Point of Beginning. Containing 4.12 Acres more or less.

Net 50.48 Acres more or less.

Bearings are based upon the west line of the SW1/4SE1/4 of Section 6 being S 01°13'35" W.

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Proposed metro district boundary. Excluding strip not annexed

This legal description was prepared by R.C. Moon, Colorado Registration No. 13221, at D&D Inc., a Professional Land Surveying and Planning Co., 2145 Resort Drive, Suite 105 Steamboat Springs, CO. 80487-8887
976-879-2715

