

HOMETOWN METROPOLITAN DISTRICT NO. 2 GENERAL INFORMATION

This General Information Sheet has been prepared by the Hometown Metropolitan District No. 2 (the “**District**”) to provide residents and property owners with general information regarding the District and its operations. This Information Sheet is intended to provide an overview of pertinent District information 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 DISTRICT.

The District is a quasi-municipal corporation and a political subdivision of the State of Colorado. The District was organized together with Hometown Metropolitan District Nos. 1, 3 and 4 (collectively, the “**Districts**”) pursuant to respective orders and decrees entered by the District Court of Jefferson County on June 3, 2008, and recorded in the real property records of Jefferson County on June 13, 2008. The Districts were organized pursuant to a Consolidated Service Plan approved by the City Council of Arvada on February 22, 2008 (the “**Service Plan**”) to provide essential public improvements within and without the boundaries of the Districts, and as part of a common plan to serve the needs of the mixed-use development commonly known as Hometown (the “**Development**”).

On January 28, 2016, both District Nos. 3 and 4 dissolved. On May 8, 2016, District No. 1 changed its name to Westown Metropolitan District. Westown Metropolitan District operates as a completely separate and distinct entity from the District, including under its own separate service plan. The District continues to operate under the original consolidated Service Plan for Hometown Metropolitan District Nos. 1-4, (although as noted above, District Nos. 3 and 4 are dissolved, and District No. 1 [now known as Westown Metropolitan District] operates under its own separate service plan).

The Development is located generally north of West 64th Avenue, between McIntyre Street and Kendrick Drive in the western portion of the City of Arvada (the “**City**”) encompassing approximately 34.830 acres. The District lies within the portion of the Development generally known as the Hometown North Subdivision. The District consists of approximately 10.840 acres and consists of 70 townhomes and 27 condominiums. A portion of the Hometown North Subdivision that was completed before the creation of the District, consisting of 9 condominiums and 14 townhomes, is not included within the District’s taxing area.

DISTRICT BOARD OF DIRECTORS.

The District is governed by a five-member Board of Directors (“**Board**”). Currently there are three vacancies on the Board, which are elected to staggered four-year terms. Anyone who is a registered Colorado voter and who resides within the District, or who owns taxable property within the boundaries of the District, is eligible to serve on the Board of Directors. The Board’s regular meeting dates may be obtained from the District’s Legal Counsel, McGeady Becher, P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203, (303) 592-4380.

DISTRICT POWERS.

In accordance with the Colorado Special District Act, the District operates pursuant to its Service Plan. According to the Service Plan, the major purpose of the District is to finance, plan, design, acquire, construct, install, relocate, and redevelop certain public improvements as described in the Special District Act, except as specifically limited in Section V of the Service Plan. Where appropriate, the District will dedicate certain improvements to the City or other appropriate jurisdiction or owners' association in a manner consistent with the approved Development Plans and other rules and regulations of the City and applicable provisions of the City Code.

Under the Service Plan, the Districts have the authority to issue general obligation bonds in an amount not to exceed \$7,500,000 to provide and pay for public infrastructure improvement costs. Any issue of bonds will mature not more than 40 years from the date of issuance (as permitted by state statute) and, although dictated by market conditions and investor demand, the maximum interest rate allowed is 18.0%. As of 2023, the District has issued bonds as described below.

DISTRICT BONDS.

On April 28, 2010, the District issued \$800,000 of General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series, 2010 (the “**Bonds**”) for the purpose of paying the costs of acquiring, constructing, and installation of public facilities, providing capitalized interest for payment of a portion of the interest on the Bonds, and paying the costs of issuance of the Bonds. The Bonds are term bonds due December 1, 2034, with mandatory sinking fund payments beginning December 1, 2013, and increasing annually thereafter. The Bonds bear interest at 6.75%, to be paid on June 1 and December 1 of each year, beginning June 1, 2010.

The Bonds are payable from the District's levy imposed by the District on all taxable property of the District in an amount sufficient to pay principal and interest on the Bonds, together with any rates, fees, tolls, and charges imposed by the District, specific ownership taxes and any other legally available moneys which the District determines, in its sole discretion, to credit to the Bond Fund. For property tax collection year 2023, the District levied 20.000 mills for debt service.

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN DISTRICT.

The District's primary source of revenue is from property taxes imposed on property within the District and revenues from a proportionate share of specific ownership taxes collected on motor vehicles. The Property taxes are paid annually by all owners of property within the District. Along with other taxing entities, the District certifies a mill levy by December 15th of each year (unless changed or extended by law) which determines the taxes paid by each property owner in the following year. A part of the total mill levy is certified for operations and maintenance of the District. Adjustments to the operating mill levy will occur as necessary to assure that revenue is available to provide adequate services to the community. The remainder of the mill levy certified is for repayment of the Bonds as discussed above.

The mill levy may also 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.

Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy/Rate¹ (M)	Amount of District Tax Due [AV x M]
(a) 2022	\$500,000	6.95%	\$34,750	30.000/0.03000	\$1,042.50
(b) 2023	\$500,000	6.70%	\$33,500	31.111/0.03111	\$1,042.18

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

(a) If in 2022, the Actual Value of the Property is \$500,000, and the Assessment Ratio established by the State Legislature for that year is 6.95%, the Assessed Value of the Property is \$34,750 (i.e., \$500,000 x 6.95% = \$34,750). The District certifies a 30.000 mill levy, which would generate approximately \$1,042.50 in revenue.

(b) If in 2023, the Actual Value of the Property remains at \$500,000, but the Assessment Ratio established by the State Legislature for that year is 6.70%, the Assessed Value would be \$33,500 (i.e., \$500,000 x 6.70% = \$33,500). The District would need to certify a 31.111 mill levy to generate the same approximate revenue as in 2022.

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.

For tax collection year 2023, the District certified a total annual mill levy as follows:

Debt Service Mill Levy	20.000
Operations and Maintenance Mill Levy	10.000
Total Mill Levy	30.000

For tax collection year 2023, all overlapping mill levy entities certified as follows:

County General Fund	19.1660
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Dept of Social Services	1.1690
Developmental Disability Fund	1.0000
Library Fund	4.5000
Road & Bridge Fund	1.1430
R1 School General Fund	40.2270
Apex Park & Rec District	4.6180
Arvada	4.3100
Arvada Fire District	14.8930
Hometown Metropolitan District	30.000
Total Mill Levy	127.9320

SERVICES PROVIDED BY OTHER ENTITIES

The District completed construction of the public improvements necessary to serve the development within the District and such improvements have been dedicated to the City. In addition, the District has entered into an agreement with the Hometown Community Association, Inc. (“**Master Association**”), which provides for the Master Association to maintain improvements that have not been dedicated to the City (i.e., interior streets and streetscape improvements). Additional services are provided to the residents of the District by other governmental entities. Fire protection services and police services are provided by the City. Other entities may also impose a mill levy or other fees; prospective purchasers may want to investigate the mill levies and other charges imposed by other entities prior to purchasing property within the District.

ADDITIONAL INFORMATION.

This Information Sheet is provided to answer anticipated questions raised by residents and property owners within the District’s boundaries. If you have additional questions, please contact the District’s Legal Counsel, McGeady Becher, P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203, (303) 592-4380.