

AMENDED AND RESTATED
SPECIAL DISTRICT PUBLIC DISCLOSURE DOCUMENT
DISCLOSURE TO PURCHASERS

WESTOWN METROPOLITAN DISTRICT
(FORMERLY KNOWN AS HOMETOWN METROPOLITAN DISTRICT NO. 1)

Westown Metropolitan District (formerly known as Hometown Metropolitan District No. 1) (the “**District**”) recorded its Special District Public Disclosure Document Disclosure to Purchasers on February 17, 2017, in the real property records of Jefferson County at Reception Number 2017018857 (the “**Public Disclosure Document**”).

The District desires to amend and restate the Public Disclosure Document to provide property owners with updated general information regarding the District and its operations. This Amended and Restated Special District Public Disclosure Document Disclosure to Purchasers (the “**Amended and Restated Public Disclosure Document**”) 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.**

This Amended and Restated Public Disclosure Document is intended to amend and restate the Public Disclosure Document in its entirety.

DISTRICT’S POWERS

The powers of the District as authorized by Section 32-1-1004, C.R.S. and under its Second Amended and Restated Service Plan, as approved by the City Council of the City of Arvada (the “**City**”) on May 15, 2017 (the “**Service Plan**”), are to plan for, design, finance, acquire, construct, install, relocate, and/or redevelop certain public improvements, including, but not limited to, streets, safety protection, water, sewer, storm drainage, park and recreation improvements, and covenant enforcement and design review services to the District.

DISTRICT’S SERVICE PLAN

The District’s Service Plan, which can be amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the Division of Local Government in the State Department of Local Affairs (the “**Division**”) or by contacting the District Manager, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228; (303) 987-0835.

The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution (“**TABOR**”), include issuing debt, levying taxes, and imposing fees and charges. Information concerning District directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), C.R.S., which can be found at the office of General Counsel for the District, on file at the Division, or on file at the office of the Clerk and Recorder of Jefferson County.

DISTRICT BOARD OF DIRECTORS

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 Manager, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228; (303) 987-0835.

DEBT AUTHORIZATION

Pursuant to its Service Plan, the District has authority to issue up to Six Million Seven Hundred Thousand Dollars (\$6,700,000) of debt to provide and pay for public infrastructure improvement costs.

Any debt issued by the District will be repaid through ad valorem property taxes, from a District imposed debt service mill levy on all taxable property of the District, together with any other legally available revenues of the District.

On November 19, 2020, the District and BBVA Mortgage Corporation ("**Lender**") entered into a Loan Agreement ("**Loan Agreement**") pertaining to a loan in the aggregate principal amount of Six Million Seven Hundred Thousand Dollars \$6,700,000 (the "**Loan**"), as such Loan is evidenced by a promissory note from the District, as maker, to the Lender, as payee. The proceeds of the Loan were used to refinance previously outstanding debt of the District in order to reduce interest costs and effect other economies. The Loan matures on December 1, 2035 (the "**Maturity Date**"). Principal payments on the Loan are due December 1 of each year, commencing December 1, 2021, including the Maturity Date. Interest payments on the Loan are due June 1 and December 1 of each year, commencing June 1, 2021, and the Maturity Date, and to the extent the District fails to pay the full amount due on the Maturity Date, each June 1 and December 1 thereafter until Loan has been fully paid.

TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

Ad Valorem Property Taxes

The District's primary source of revenue is from property taxes imposed on property within 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 imposed a total combined Mill Levy of **92.428 mills for tax collection year 2021** (as described below). The District is only one of several taxing jurisdictions that impose mill levies on the property within the boundaries of the District, as described in the "Overlapping Mill Levy" section below.

Debt Service Mill Levy

If the total amount of aggregate Debt (as defined in the Service Plan) exceeds fifty percent (50%) of the District's assessed valuation, the maximum debt service mill levy the District is permitted to impose under the Service Plan ("**Debt Mill Levy Cap**") upon the taxable property within the District is fifty (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 occurring after January 1, 2004 (the "**Gallagher Adjustment**"). 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.

As a result of the Gallagher Adjustment, the Debt Mill Levy Cap for collection year 2021 is 55.664 mills. The District imposed a debt service mill levy of **48.000 mills for collection year 2021**, which is within the Debt Mill Levy Cap.

Operations 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, subject to the restrictions in the Loan Agreement, separate and apart from the Debt Mill Levy Cap.

The District operates in place of an owners association for the townhome units, and in conjunction with the Condominium HOA (defined below) to pay for the costs associated with covenant enforcement and design review services, as well as providing for the operation and maintenance of the swimming pool and the maintenance of the landscaping of certain street improvements, with the imposition of the Operations and Maintenance Mill Levy, which was imposed at **44.428 mills for tax collection year 2021**. The District’s ability to increase its mill levy for provision of operation and maintenance services without an election is constrained by statutory and constitutional limits.

In addition, each townhome unit located within the District will be subject to an additional fee of approximately Four Hundred Eighty Dollars (\$480) per year per townhome for potable water and One Hundred Sixty-Eight Dollars (\$168) per year per townhome for trash and recycling service. These fees are subject to amendment by the District Board of Directors from time to time. Each condominium unit located in the District will be subject to an additional fee to be determined by the Westown Condominium Association, Inc. (the “**Condominium HOA**”).

There are several benefits to the use of a metropolitan district as opposed to, or in cooperation with, an owners’ association, including, but not limited to the following:

(a) Cost Efficiency. Metropolitan districts fund their operations from revenues generated from real property taxes while homeowner’s associations assess dues and collect them from property owners. A metropolitan district can, therefore, operate more efficiently than an owners’ association as the collection of taxes is significantly more effective than separately billing individual homeowners, and dealing with the collection efforts.

(b) Tax Deduction. Taxes paid to a metropolitan district are deductible from income taxes, in general, while owners association dues are generally not.

(c) Homeowner Savings. Out of pocket expenses for the homeowner are generally significantly less when paid through ad valorem tax as opposed to owners’ association dues.

(d) Transparency. A metropolitan district is subject to various regulatory requirements that an owners’ association is not, such as annual reporting of budgets and audited

financials; annual audits, or audit exemptions, are required, not just recommended as with an owners' association.

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-Reduction in Residential Assessment Ratio

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) 2017	\$300,000	7.96%	\$23,880	83.023/1000 = .083023	\$1,983
(b) 2021	\$300,000	7.15%	\$21,450	92.428/1000=.092428	\$1,983

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

(a) In 2017 the Residential Assessment Ratio, as established by the State Legislature, was 7.96%. If in 2017 the Actual Value of the Property was \$300,000, the Assessed Value of the Property would total \$23,880 (i.e., \$300,000 x 7.96% = \$23,880). If the District certified a combined debt and operations mill levy of 83.023 mills, it would have generated approximately \$1,983 in revenue for the District.

(b) In 2021 the Residential Assessment Ratio, as established by the State Legislature, is 7.15%. If the Actual Value of the Property remains at \$300,000, the Assessed Value would be \$21,450 (i.e., \$300,000 x 7.15% = \$21,450). Therefore, the District needs to certify a combined debt and operations mill levy of 92.428 mills in order to generate the same revenue as in the 2017 example described above.

Overlapping Mill Levies

In addition to the District's imposed mill levies for debt and operations as described above, the property located within the District is also subject to additional "overlapping" mill levies from additional taxing authorities. The overlapping mill levy for tax collection year 2020 for the property within the District, exclusive of the District's imposed mill levies, was **95.198 mills**. Mill levies are certified in December of each year, and generally published by the County by the end of the first quarter. Therefore, we are unable to provide more detailed information on the anticipated overlapping mill levy for collection year 2021 at this time. The breakdown of the overlapping mill levies for collection year 2020 is as follows:

Taxing Authority	Levy
Jefferson County (2020)	23.332
Jefferson County School District R-1 (2020)	47.075
City of Arvada (2020)	4.310
Arvada Fire District (2020)	14.925
Apex Park & Recreation District (2020)	4.559
Regional Transportation District (2020)	0.000
Urban Drainage & Flood Cont. Dist. (2020)	0.900
Urban Drainage & Flood C So Plat (2020)	0.097
TOTAL OVERLAPPING MILL LEVY EXCLUSIVE OF DISTRICT MILL LEVY	95.198

Overlapping Mill Levy Property Tax Calculation Example

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy¹/Rate² (M)	Amount of Total Property Tax Due [AV x M]
(a) 2020	\$300,000	7.15%	\$21,450	95.198/1000= .095198	\$2,042

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

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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.

The District approximates additional fees for calendar year 2021 of \$648.00 per year/per townhome unit to cover the costs associated with potable water and trash/recycling collection. These fees can be amended by Resolution of the District Board of Directors from time to time. Each condominium unit will be subject to additional fees to be determined by the Condominium HOA.

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 Manager:
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Phone: 303-987-0835

Dated this 4th day of March, 2021.

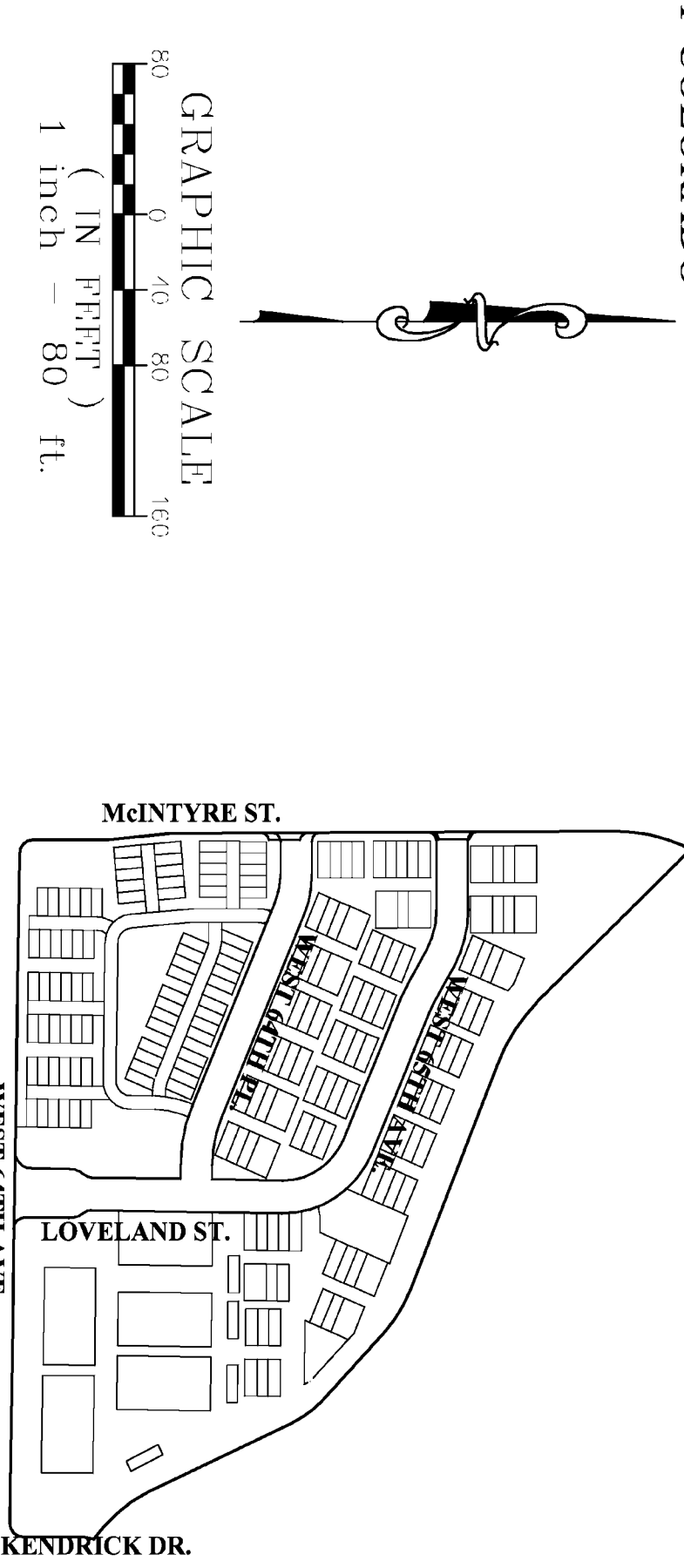
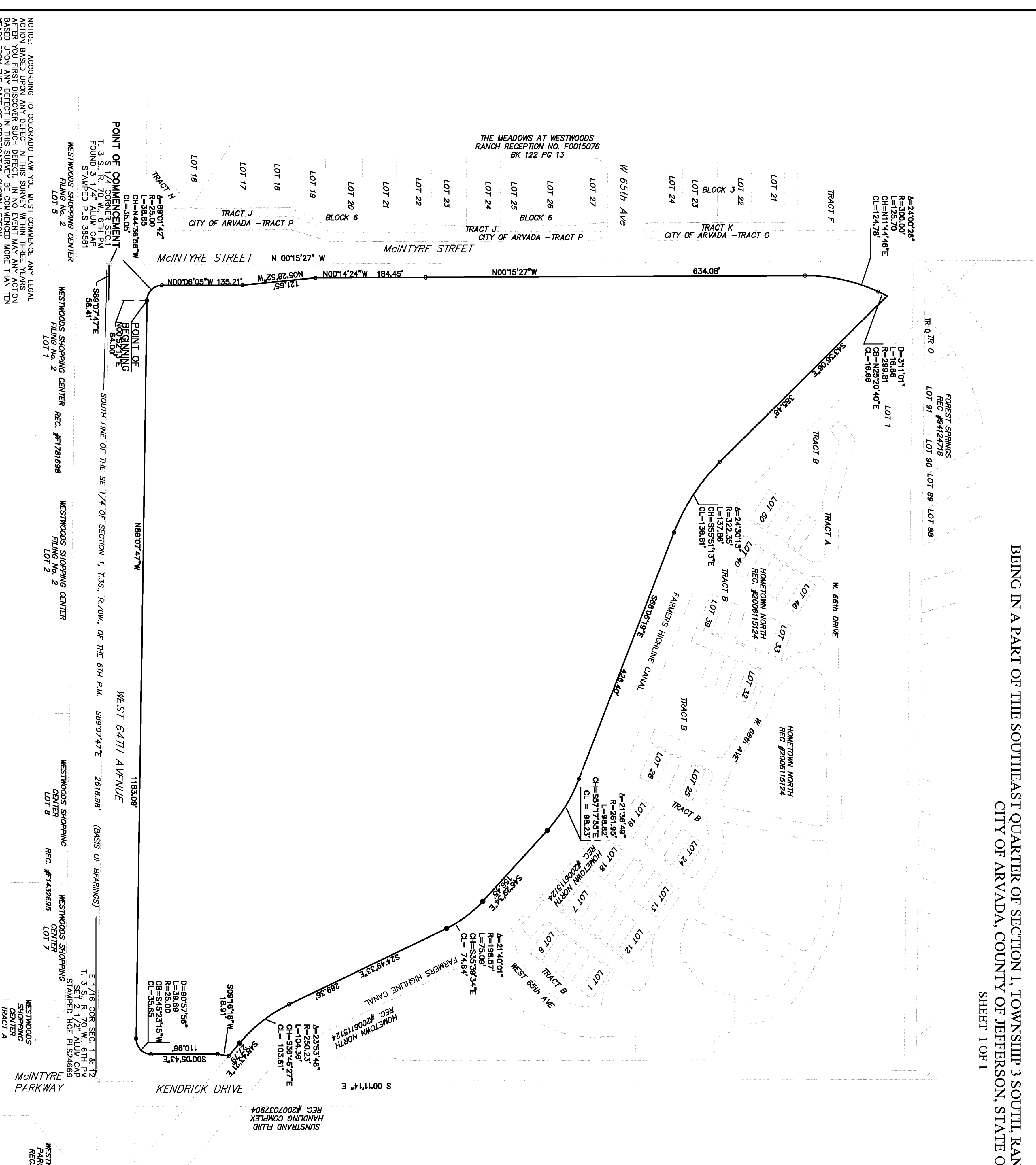
EXHIBIT A

District Map

WESTOWN METROPOLITAN DISTRICT

BEING IN A PART OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 3 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN,
CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF COLORADO

SHEET 1 OF 1



NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION TO ENFORCE THIS INSTRUMENT WITHIN TWO YEARS FROM THE DATE OF RECORDATION. YOU MUST COMMENCE ANY LEGAL ACTION TO ENFORCE THIS INSTRUMENT WITHIN TWO YEARS FROM THE DATE OF RECORDATION. YOU MUST COMMENCE ANY LEGAL ACTION TO ENFORCE THIS INSTRUMENT WITHIN TWO YEARS FROM THE DATE OF RECORDATION.

2N Civil, LLC
 PO Box 630042
 Littleton, CO 80163-0042
 Phone 303-925-0544 Fax 303-925-0547
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4/14/17

EXHIBIT B

Legal Description



WESTOWN METROPOLITAN DISTRICT BOUNDARY DESCRIPTION

A parcel of land situated in the Southeast Quarter of Section 1, Township 3 South, Range 70 West of the 6th Principal Meridian, City of Arvada, County of Jefferson, State of Colorado, more particularly defined as follows:

Commencing at the South Quarter corner of said Section 1;

Thence South 89°07'47" East along the southerly line of said section a distance of 56.41 feet;

Thence North 00°52'13" East a distance of 64.00 feet to the easterly right-of-way line of McIntyre Street as shown on Hometown South Subdivision Final Plat as recorded under Reception Number 2007023476 in the Jefferson County Clerk and Recorder's Office and THE POINT OF BEGINNING;

Thence along the easterly right-of-way line of McIntyre Street the following seven (7) courses;

1. along the arc of a curve to the right having a central angle of 89°01'42", a radius of 25.00 feet, and an arc length of 38.85 feet (chord bears North 44°36'56" West, 35.05 feet);
2. North 00°06'05" West a distance of 135.21 feet;
3. North 05°28'52" West a distance of 121.65 feet;
4. North 00°14'24" West a distance of 184.45 feet;
5. North 00°15'27" West a distance of 634.08 feet;
6. along the arc of a curve to the right having a central angle of 24°00'26", a radius of 300.00 feet, and an arc length of 125.70 feet (chord bears North 11°44'46" East, 124.78 feet);
7. along the arc of a curve to the right having a central angle of 3°11'01", a radius of 299.81 feet, and an arc length of 16.66 feet (chord bears North 25°20'40" East, 16.66 feet); to the southerly right of way line of the Farmers Highline Canal as recorded in Book 85 at Page 245 in said county records;

Thence along said southerly right of way line the following nine (9) courses;

1. South 43°36'06" East a distance of 385.48 feet to a point of curvature;
2. along the arc of a curve to the left having a central angle of 24°30'13", a radius of 322.35 feet, and an arc length of 137.86 feet (chord bears South 55°51'13" East, 136.81 feet);
3. South 68°06'19" East a distance of 426.40 feet to a point of curvature;
4. along the arc of a curve to the right having a central angle of 21°36'49", a radius of 261.95 feet, and an arc length of 98.82 feet (chord bears South 57°17'55" East, 98.23 feet);
5. South 46°29'34" East a distance of 156.45 feet to a point of curvature;
6. along the arc of a curve to the right having a central angle of 21°40'01", a radius of 198.57 feet, and an arc length of 75.09 feet (chord bears South 35°39'34" East, 74.64 feet);
7. South 24°49'33" East a distance of 289.36 feet to a point of curvature;
8. along the arc of a curve to the left having a central angle of 23°53'48", a radius of 250.23 feet, and an arc length of 104.36 feet (chord bears South 36°46'27" East, 103.61 feet);
9. South 48°43'21" East a distance of 27.79 feet to the westerly right of way line of Kendrick Street as shown on said Hometown South Subdivision Final Plat;

Thence along said westerly right of way line the following three (3) courses;

1. South 09°16'18" West a distance of 18.91 feet;
2. South 00°05'43" East a distance of 110.96 feet;
3. along the arc of a curve to the right having a central angle of 90°57'56", a radius of 25.00 feet, and an arc length of 39.69 feet (chord bears South 45°23'15" West, 35.65 feet) to the northerly right of way line of West 64th Avenue as shown on said Hometown South Subdivision Final Plat;

Thence North 89°07'47" West along said northerly right of way a distance of 1,183.09 feet to the POINT OF BEGINNING.

Containing 967,056 square feet, 22.201 acres, more or less.