

ANNUAL INFORMATION REPORT
FOR THE YEAR 2020
HM METROPOLITAN DISTRICT NO. 2

Pursuant to Section VII of the Service Plan of HM Metropolitan District No. 2 (“District”) approved by the City of Aurora, Colorado on June 7, 2019 (the “Service Plan”), the following report of the District’s activities from January 1, 2020 to December 31, 2020 is hereby submitted.

1. **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.**

The District had inclusions with boundary changes prior to December 31, 2020. A copy of the current District boundary maps are attached hereto as **Exhibit A**.

2. **Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.**

The District entered into the below Intergovernmental Agreements with other governmental entities as of December 31 of the prior year:

64th Ave. ARI Authority Establishment Agreement: On April 7, 2020 the District, 64th Ave. ARI Authority, Colorado International Center Metropolitan District No. 11, and Velocity Metropolitan District Nos. 4, 5 & 6 entered into this Agreement.

Intergovernmental Operation Funding Agreement: On July 28, 2021 the District, the 64th Ave. ARI Authority, and L.C. Fulenwider, Inc. entered into this Agreement.

Amended and Restated 64th Ave. ARI Authority Establishment Agreement: On July 28, 2020, the District, 64th Ave. ARI Authority, Colorado Internationals Center Metropolitan District Nos. 6, 7, 8, 9, 10 & 11, and Velocity Metropolitan District Nos. 4, 5 & 6 entered into this Agreement.

Intergovernmental Facilities Funding and Reimbursement Agreement – District Funding Deposit and Project Budget Shortfall: On October 7, 2020 the District, 64th Ave. ARI Authority, and L.C. Fulenwider, Inc. entered into this Agreement.

3. **Copies of the District’s rules and regulations, if any as of December 31 of the prior year.**

The District has no rules and regulations as of December 31, 2020.

4. **A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.**

The District was not involved in any litigation regarding District Public Improvements as of December 31, 2020.

5. **Status of the District's construction of the Public Improvements as of December 31 of the prior year.**

The District has no construction or Public Improvements as of December 31, 2020.

6. **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.**

The District has no construction or Public Improvements dedicated to the City as of December 31, 2020.

7. **The assessed valuation of the District for the current year.**

A copy of the 2020 certification of assessed valuation from Adams County is attached hereto as **Exhibit B.**

8. **Current year budget including a description of the Public Improvements to be constructed in such year.**

A copy of the 2021 Budget is attached hereto as **Exhibit C.**

9. **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

The District's 2020 Audit is not complete and will be filed separately when available.

10. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument.**

The District has no uncured events of default.

11. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

The District is not subject to any inability to pay its obligations.

EXHIBIT A
Current District Boundary Map

INCLUSION AREA FOR HM METROPOLITAN DISTRICT NO.2

EXHIBIT A

1 OF 2

LAND DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH P.M., CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF SECTION 6, ALSO BEING THE POINT OF BEGINNING;

THENCE ALONG THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER, N88°21'35"E A DISTANCE OF 2568.89 FEET;

THENCE ALONG A LINE 72 FEET WESTERLY OF AND PARALLEL TO THE EASTERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 6, S00°06'31"E A DISTANCE OF 2583.93 FEET;

THENCE ALONG A LINE 72 FEET NORTHERLY OF AND PARALLEL TO THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 6, S88°21'19"W A DISTANCE OF 2573.32 FEET TO A POINT ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER;

THENCE ALONG SAID WESTERLY LINE, N00°00'38"W A DISTANCE OF 2584.25 FEET;

EXCLUDING DIRECTORS PARCELS 1-9 AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF SECTION 6, THENCE S65°53'21"E A DISTANCE OF 168.70 FEET TO THE POINT OF BEGINNING;

THENCE N88°21'15"E A DISTANCE OF 180.00 FEET;

THENCE S01°38'45"E A DISTANCE OF 20.00 FEET;

THENCE S88°21'15"W A DISTANCE OF 180.00 FEET

THENCE N01°38'45"W A DISTANCE OF 20.00 FEET;

SAID PARCEL CONTAINS 151.636 ACRES (6,637,832 SQ. FT.) MORE OR LESS.

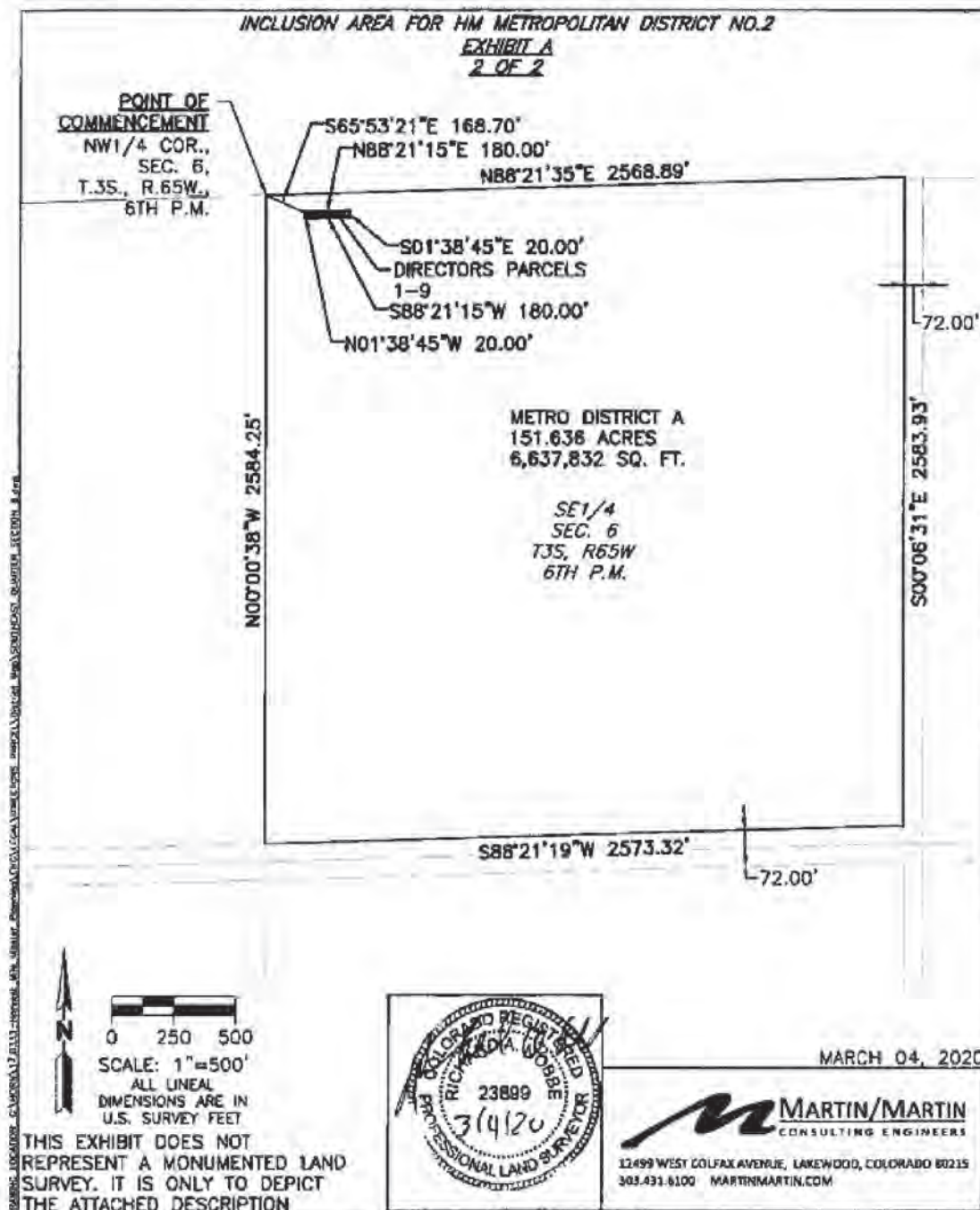
ALL LINEAL UNITS ARE IN U.S. SURVEY FEET.

BASIS OF BEARING.

BEARINGS ARE BASED ON AN ASSUMED BEARING OF S00°33'21"E ALONG THE EASTERLY LINE OF THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH RANGE 65 WEST OF THE 6TH P.M. BEING MONUMENTED AS A FOUND 3 1/4" ALUMINUM CAP PLS # 25379 IN RANGEBOX AT THE CENTER QUARTER CORNER AND A FOUND 2 1/2" ALUMINUM CAP PLS #28285 AT THE SOUTH QUARTER CORNER.

PREPARED BY: DOMINIC BEJARANO
REVIEWED BY: RICHARD A. NOBBE, P.L.S.
FOR AND ON BEHALF OF
MARTIN/MARTIN CONSULTING ENGINEERS, INC.
12499 WEST COLFAX AVENUE
LAKEWOOD, COLORADO 80215
MARCH 4, 2020





INCLUSION AREA FOR HM METROPOLITAN DISTRICT NO. 2
EXHIBIT B
1 OF 2

LAND DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 65 WEST OF THE 6TH P.M., CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER CORNER OF SECTION 7, ALSO BEING THE POINT OF BEGINNING;
THENCE ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 7, N00°33'29"W A DISTANCE OF 2597.34 FEET;
THENCE ALONG A LINE 72 FEET SOUTHERLY OF AND PARALLEL TO THE NORTHERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 7, N88°21'19"E A DISTANCE OF 2573.73 FEET ;
THENCE ALONG A LINE 72 FEET WESTERLY OF AND PARALLEL TO EASTERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 7, S00°46'20"E A DISTANCE OF 2584.18 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 7;
THENCE ALONG SAID SOUTHERLY LINE, S88°04'02"W A DISTANCE OF 2583.68 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINS 153.340 ACRES (6,679,470 SQ. FT.) MORE OR LESS.

ALL LINEAL UNITS ARE IN U.S. SURVEY FEET.

BASIS OF BEARING:

BEARINGS ARE BASED ON AN ASSUMED BEARING OF S00°33'21"E ALONG THE EASTERLY LINE OF THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH RANGE 65 WEST OF THE 6TH P.M. BEING MONUMENTED AS A FOUND 3 1/4" ALUMINUM CAP PLS # 25379 IN RANGEBOX AT THE CENTER QUARTER CORNER AND A FOUND 2 1/2" ALUMINUM CAP PLS #28285 AT THE SOUTH QUARTER CORNER.

PREPARED BY: DOMINIC BEJARANO
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MARCH 4, 2020



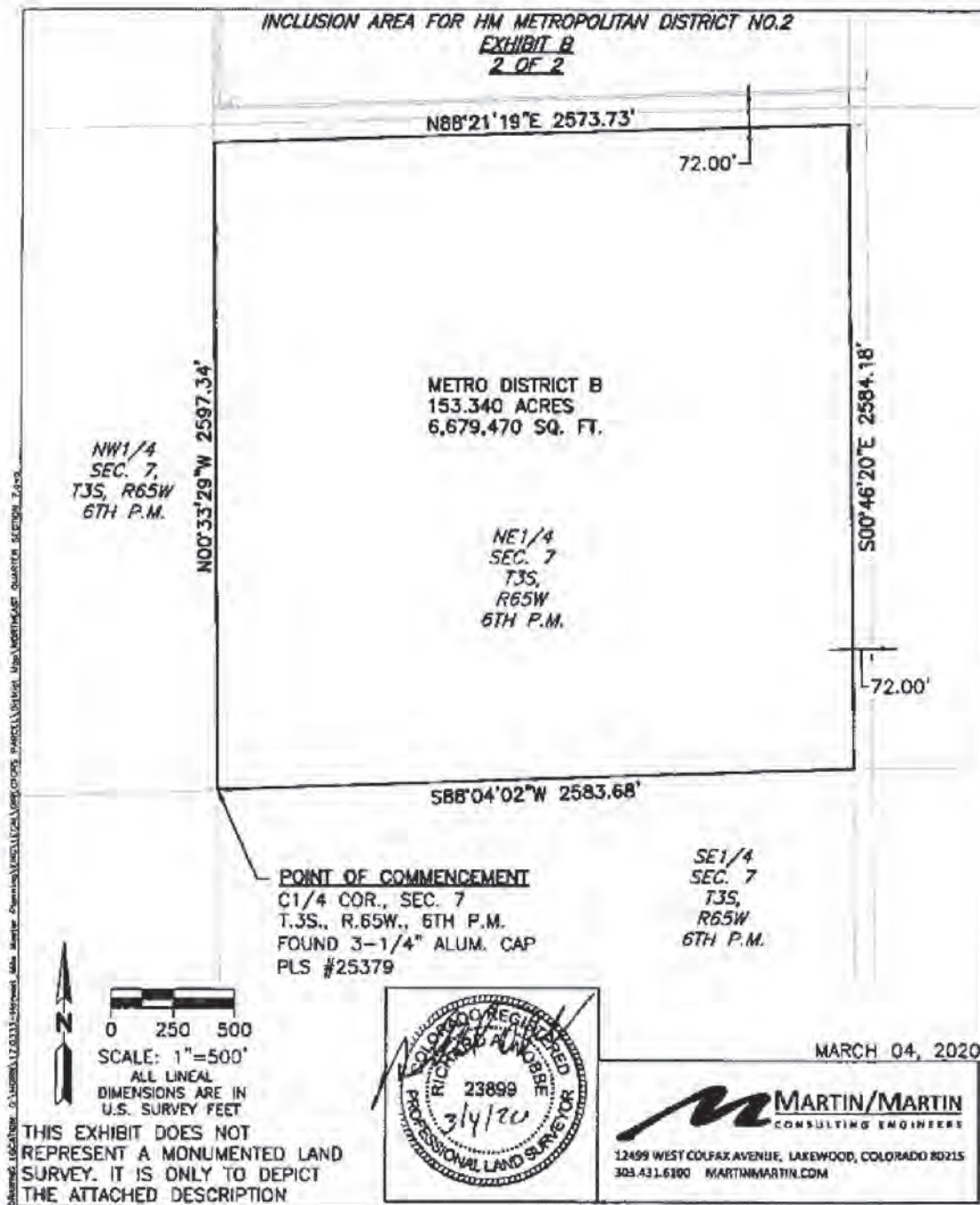


EXHIBIT B
2020 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **484 - HM METROPOLITAN DISTRICT NO 2**

IN ADAMS COUNTY ON 11/29/2020

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2020 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$10
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2020 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2020

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$1
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2020

Data Date: 11/29/2020

EXHIBIT C
2021 Budget

HM METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

HM METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/5/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	1,315,000	1,754,857
Other revenue	-	-	5,000
Total revenues	-	1,315,000	1,759,857
Total funds available	-	1,315,000	1,759,857
EXPENDITURES			
General Fund	-	65,000	160,000
Capital Projects Fund	-	1,250,000	1,599,857
Total expenditures	-	1,315,000	1,759,857
Total expenditures and transfers out requiring appropriation	-	1,315,000	1,759,857
ENDING FUND BALANCES	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ 200
TOTAL RESERVE	\$ -	\$ -	\$ 200

HM METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/5/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
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ASSESSED VALUATION

Agricultural

- 10 10

Certified Assessed Value

\$	-	\$	10	\$	10
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MILL LEVY

ARI

0.000 0.000 5.000

Total mill levy

0.000	0.000	5.000
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PROPERTY TAXES

Debt Service

\$	-	\$	-	\$	-
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Budgeted property taxes

\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

\$	-	\$	-	\$	-
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HM METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/5/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	65,000	155,000
Other revenue	-	-	5,000
Total revenues	-	65,000	160,000
Total funds available	-	65,000	160,000
EXPENDITURES			
General and administrative			
Accounting	-	7,500	15,000
Auditing	-	-	5,000
Contingency	-	-	6,000
Insurance	-	-	9,000
Legal	-	7,500	25,000
Operations and maintenance			
Transfers to Authority - O&M	-	50,000	100,000
Total expenditures	-	65,000	160,000
Total expenditures and transfers out requiring appropriation	-	65,000	160,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ 200
TOTAL RESERVE	\$ -	\$ -	\$ 200

**HM METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	1,250,000	1,599,857
Total revenues	-	1,250,000	1,599,857
Total funds available	-	1,250,000	1,599,857
EXPENDITURES			
Capital Projects			
Transfers to Authority - 64th Ave	-	1,000,000	1,000,000
Capital Outlay	-	250,000	599,857
Total expenditures	-	1,250,000	1,599,857
Total expenditures and transfers out requiring appropriation	-	1,250,000	1,599,857
ENDING FUND BALANCE	\$ -	\$ -	\$ -

**HM METRO DISTRICT NO. 2
2021 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County, Colorado on November 22, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora. The District's service area is located in Aurora.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including street, safety protection, park and recreation, transportation, retaining walls, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

ARI Mill Levy

The District has imposed an ARI Mill Levy, as approved in its Service Plan and Intergovernmental Facilities Funding and Reimbursement Agreement to generate revenue for the 64th Ave ARI Authority to finance the construction of the 64th Ave. Regional Improvements, and to be pledged towards repayment of the Authority Bonds.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the Districts' administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to streetscape, ponds and weeds, snow removal, and utilities were also included in the General Fund budget.

**HM METRO DISTRICT NO. 2
2021 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.