

METROPOLITAN DISTRICT – GENERAL EXPLANATION

Metropolitan districts are local governments that finance public improvements and provide services to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the district, the users of District facilities and services, and the people of the state of Colorado. Metropolitan districts fill the gaps that may exist in government services that other local governments do not provide.

LLA Metropolitan District No. 2, located in the Town of Hudson, Weld County, Colorado, is authorized to provide the following improvements and services: water, storm and sanitary sewer, streets, traffic safety, parks and recreation, transportation, and mosquito control.

The District, together with LLA Metropolitan District No. 1, is authorized to issue an aggregate of \$220,000,000 of bonds and to impose a maximum mill levy of 50 mills, subject to legislative adjustment as defined in the service plan. The mill levy may increase once the assessed valuation of the District exceeds the amount of outstanding debt by more than fifty percent. The Service Plans authorize the repayment of debt from *ad valorem* taxes and from fees. The District mill levy may increase by up to ten mills if the District and the Town enter into an intergovernmental agreement regarding regional improvements. There is no cap on the mill levy for operations and maintenance which the District may impose.

Currently, the District has not issued any debt and provides no services because development has not yet begun within the District.

The District is governed by a Board of Directors. Members of the Board are elected to four-year terms. During election years, which are every odd-numbered year, the District mails or emails or publishes a Call for Nominations to the electors within the District with information about the Board seats are up for election. If an owner or resident within the District would like to run for a Board position, he or she must submit a self-nomination form to the Designated Election Official by the deadline provided in the Call for Nominations. Owners and residents must be Colorado voters to be elected or appointed to board positions. The spouse or civil union partner of an owner of taxable property within the district is also eligible to be appointed or elected. Owners include individuals who are under contract to purchase property within a district if the contract requires them to pay property taxes on the property prior to closing. When a vacancy occurs on the Boards between elections, an owner or resident may contact the District and submit a letter of interest to be appointed. When an individual is appointed to a Board, they serve until the next regular election. Currently, there are no residents within the District.

The District files an annual report with the Town of Hudson on or before August 1 of each year for the prior fiscal year. The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.
4. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
5. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town as of December 31 of the prior year.
6. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
7. 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 can be contacted by emailing ssteele@ddmalaw.com. There is no process to contact the District outside of regular business hours because the District is not under development and there are no residents within the District.

This notice is filed pursuant to HB25-1219.