A RESOLUTION ADOPTING A SPECIAL DISTRICT POLICY AND RELATED DOCUMENTS

WHEREAS, the Town Council of the Town of Timnath (the "Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto as Exhibit A is the Timnath Special District Policy; and

WHEREAS, attached hereto as Exhibit B is the Timnath Model Resolution Approving The Model Multiple District Service Plan; and

WHEREAS, attached hereto as Exhibit C is the Timnath Model Multiple District Service Plan; and

WHEREAS, the Town Council is familiar with the Timnath Special District Policy, the Timnath Model Resolution Approving the Model Multiple District Service Plan, and the Timnath Model Multiple District Service Plan, and finds it to be in the best interest of the Town, its residents, and the general public to approve the documents.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO AS FOLLOW:

Section 1. Approval
The Timnath Special District Policy, the Timnath Model Resolution Approving the Model Multiple District Service Plan, and the Timnath Model Multiple District Service Plan are hereby approved in substantially the form attached hereto as Exhibit A, Exhibit B, and Exhibit C respectfully, with such modifications and additions as the Town Manager in consultation with legal counsel, determines to be necessary and appropriate to protect the interests of the Town or effectuate the purposes set forth herein and not otherwise inconsistent with this resolution.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON FEBRUARY 12, 2019.
TOWN OF TIMNATH, COLORADO

Jill Grossman-Belisle, Mayor

ATTEST:

Milissa Peters-Garcia, CMC
Town Clerk
EXHIBIT A

Timnath Special District Policy

1. Legislative declaration.
   a. The Town Council recognizes that the general assembly has adopted legislation for
      the organization of title 32 districts to facilitate the elimination of the overlapping
      of services provided by local governments and the double taxation that may occur,
      because of annexation or otherwise, when all of the taxable property of a title 32
      district lies within the boundaries of the Town.
   b. The Town Council declares that the primary purpose of title 32 districts within the
      Town shall be to fund the local and regional public improvements and facilities
      necessary for the development of private property. Title 32 districts may provide
      for the continued operation and maintenance of such improvements and facilities
      only as provided in their respective approved service plans.
   c. The Town Council, in furtherance of the best interests of the Town and the
      preservation and protection of the health, safety, prosperity, security, and general
      welfare of Town residents declares its intent:
      i. To prevent the indebtedness incurred by title 32 districts from adversely
         affecting the credit worthiness and credit ratings of the Town;
      ii. To ensure that the cost burden of infrastructure in newly developed areas is
          placed upon those benefiting from such infrastructure improvements;
      iii. To prevent the shifting of development risk to residents and nondevelopers;
      iv. To minimize the likelihood of excessive tax and fee burdens upon Town
          residents located within title 32 districts;
      v. To require facilities and services to be provided efficiently;
      vi. To prevent the shifting of costs of title 32 districts to residents of the Town
          who do not live within the geographic boundaries of a title 32 district; and
      vii. To permit the use of title 32 districts to serve only those residential,
           commercial, or industrial developments that will enhance the quality of the
           entire community.
   d. The Town Council further declares that it recognizes that the formation of title 32
      districts requires the Town Council to adopt procedures for the orderly processing
      of proposals for the organization of these districts in order to protect the health,
      safety, prosperity, security, and general welfare of Town residents.

2. Application of state statute. In addition to the power, authority, and protection set forth
   in this Policy, the Town Council shall have all the power, authority and protection granted
   to municipalities by Article 1, Title 32, Colorado Revised Statutes (the “Special District
   Act”) , in effect as of the effective date of the Resolution adopting this Policy and as
   amended from time to time; provided, however, where any conflicts exist between such
   state statute and this Policy, such inconsistencies are specifically intended and the
provisions of this Policy shall control, it being the intention that all requirements for the processing of proposed service plans for title 32 districts within the Town's boundaries are contained in this article.

3. **Filing of proposed service plan.**
   a. Compliance with model plan. Petitioners shall file a proposed service plan with the Community Development Department. The proposed service plan shall substantially comply with the form and content of the Town's Model Service Plan. The Town Council shall have the sole discretion to determine whether the proposed service plan substantially complies with the form and content of the Town's Model Service Plan.
   b. Fee. At the time of filing the proposed service plan, petitioners shall pay a nonrefundable application fee to the Town. Such fee shall be established by the Community Development Department.
   c. Outside review. Petitioners shall pay all costs that the Town may reasonably incur in retaining an outside consultant or consultants for the purpose of reviewing any proposed service plan.
   d. Copies. Copies of the proposed service plan must be submitted in a quantity and format acceptable to the Community Development Department.

4. **Town's Model Service Plan.**
   a. On file. The Town's Model Service Plan is on file with the Community Development Department. The Town Manager may, from time to time, approve non-substantive administrative changes to the Town's Model Service Plan.
   b. Proposed service plan to comply. Any proposed service plan shall substantially comply with the Town's Model Service Plan.

5. **Community Meeting Required for Districts with Residents.**
   a. If there are residents living within the boundaries of the district at the time the district submits a service plan or service plan amendment, the petitioners must hold a community meeting prior to the public hearing. Notice of this community meeting shall be mailed, by first class mail, to the owners of record of all property within the district at least 20 days prior to the public hearing. Notice of the community meeting can be combined with the notice of public hearing.

6. **Notice of public hearing.**
   a. Published and mailed notice. The Community Development Department shall schedule a public hearing at a regular Town Council meeting. Notice of the hearing shall be published by the petitioners in an issue of a newspaper the Coloradoan, a newspaper of general circulation within the Town, at least 20 days prior to the hearing date. Notice of the hearing shall also be mailed, by first class mail, on the date such notice is published to:
      i. The owners of record of all property within the title 32 district as such owners of record are listed in the proposed service plan.
ii. The division of local government.

iii. The governing body of any municipality or title 32 district which has levied
    an ad valorem tax within the next preceding tax year, and which has
    boundaries within a radius of three miles of the proposed district’s
    boundaries.

b. Contents of notice. The notice of hearing shall set forth the following:
   i. The date, time, location, and purpose of the hearing.
   ii. A general description of the land contained within the boundaries of the
       proposed title 32 district.
   iii. Information outlining methods and procedures for the filing of a petition for
        exclusion pursuant to § 32-1-203(3.5), C.R.S..
   iv. A reference to the type of title 32 district to be organized.
   v. The maximum property tax levy for debt service to be imposed by the title
      32 district and, if organized for the primary purpose of facilitating the
      development of residential property, the maximum period of time over
      which such levy shall be collected.
   vi. The place at which the proposed service plan may be examined.
   vii. A statement that all protests and objections must be submitted in writing to
        the Town Council at or prior to the hearing or any continuance or
        postponement thereof in order to be considered.
   viii. A statement that all protests and objections to the proposed title 32 district
        shall be deemed to be waived unless presented at the time and in the manner
        specified in this Policy.

   a. The public hearing held by the Town Council shall be open to the public, and a
      record of the proceedings shall be made. Any testimony or evidence which, in the
      discretion of the Town Council, is relevant to the organization of the proposed title
      32 district shall be considered.
   b. The Town Council may postpone or continue the public hearing until a later time
      or date or relocate the public hearing by announcing such postponement,
      continuance, or relocation of the public hearing or by posting notice at the originally
      scheduled time and place of the public hearing, and no further publication or
      mailing of the notice shall be necessary.
   c. All interested parties as defined in § 32-1-204, C.R.S. shall be authorized to address
      the Town Council.

   a. Generally. Upon its review of the report presented by the Community Development
      Department, the proposed service plan, and any evidence presented at the public
      hearing, the Town Council shall have the authority to:
         i. Approve without condition or modification the proposed service plan.
ii. Disapprove the proposed service plan.
iii. Conditionally approve the proposed service plan subject to the submission of additional information relating to, or the modification of, the proposed service plan or by agreement with the proponents of the proposed service plan.

b. Mandatory disapproval. The Town Council shall disapprove the proposed service plan unless evidence satisfactory to the Town Council of each of the following is presented:
   i. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed title 32 district.
   ii. The existing service in the area to be served by the proposed title 32 district is inadequate for present and projected needs.
   iii. The proposed title 32 district is capable of providing economical and sufficient service to the area within its proposed boundaries.
   iv. The area to be included in the proposed title 32 district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

c. Discretionary disapproval. The Town Council may disapprove the proposed service plan if evidence satisfactory to the Town Council of any one of the following, at the discretion of the Town Council, is not presented:
   i. Adequate service is not, or will not be, available to the area through the Town, county, or other existing municipal or quasi-municipal corporations, including existing title 32 districts, within a reasonable time and on a comparable basis.
   ii. The facility and service standards of the proposed title 32 district are compatible with the facility and service standards of the Town.
   iii. The proposed service plan is in substantial compliance with the Town’s comprehensive plan.
   iv. The proposed service plan is in compliance with any duly adopted Town, regional, or state long-range water quality management plan for the area.
   v. The creation of the proposed title 32 district will be in the best interests of the area proposed to be served and the Town.

d. Conditional approval. The Town Council may conditionally approve the proposed service plan upon satisfactory evidence that it does not comply with one or more criteria enumerated in subsection (b) or (c) of this section. Final approval shall be contingent upon modification of the proposed service plan to include such changes or additional information as shall be specifically stated in the findings of the Town Council.

e. Exclusion. The Town Council may exclude territory from a proposed title 32 district prior to approval of the proposed service plan. The petitioners shall have the burden
of proving that the exclusion of such property is not in the best interests of the proposed title 32 district. Any person owning property in the proposed title 32 district who requests his or her property be excluded from such district prior to the approval of the proposed service plan shall submit such request to the Town Council no later than ten days prior to the public hearing. However, the Town Council shall not be limited in its action with respect to exclusion of territory based upon such request. Any request for exclusion shall be acted upon before final action of the Town Council.

f. Basis of decision. The findings of the Town Council shall be based solely upon the proposed service plan, the report presented by the Community Development Department, and any evidence presented at the public hearing by the petitioners, Town officials and staff, and interested parties.

   a. Time. Within 20 days after completing the public hearing held under this Policy, the Town Council shall adopt a resolution regarding the proposed service plan.
   b. Approval. If the proposed service plan is approved, a resolution of approval shall be adopted.
   c. Disapproval. If the proposed service plan is disapproved, a resolution of disapproval shall be adopted. The resolution shall include the reasons for such disapproval.
   d. Conditional approval. If the proposed service plan is conditionally approved, the amendments to be made in or additional information relating to the proposed service plan, together with the reasons for such amendments or additional information, shall also be set forth in writing, and the public hearing shall be continued until such amendments or additional information are incorporated in the proposed service plan. Upon the incorporation of such amendments or additional information in the proposed service plan, the Town Council shall adopt a resolution of approval.
   e. Appeal. A resolution passed by the Town Council shall document the Town Council’s determination. No action or proceeding, at law or in equity, to review any acts or proceedings or question the validity of the Town Council’s determination pursuant to this Policy, whether based upon irregularities or jurisdictional defects, shall be maintained in the district court of the relevant county unless commenced within 30 days after the passage of the Town Council’s resolution or thereafter any legal proceedings shall be barred.
   f. Continuing jurisdiction over material modifications. In the manner and to the extent provided in this Policy, the Town Council shall maintain continuing jurisdiction over the operations and affairs of the title 32 district and shall exercise its rights in relation thereto.

10. Compliance; modification; enforcement.
a. Upon final approval by the district court of the organization of the title 32 district, the petitioner shall file written notice thereof with the Community Development Department.

b. After the creation of a title 32 district, material modifications to the approved service plan may be made by the board of directors of the title 32 district only by petition to and approval by the Town Council. Such approval shall be in substantially the same manner as provided for in the approval for an original service plan. The application fee for a modification shall be established by the Community Development Department; however, such fee shall, at a minimum, reflect the actual costs incurred by the Town to review a proposed modification to an approved service plan. Such approval of modifications shall be required with regard to changes of a basic or essential nature, as outlined in the approved service plan. A resolution of approval of modification shall not be required for changes of a mechanical or technical nature.

c. Any departures from the approved service plan, except for technical or mechanical changes as referred to in subsection (c) of this section or, if such has been modified, from the approved service plan as modified, shall be considered to be a violation of this section.

d. Such unauthorized modifications may be enjoined by the district court upon application by the Town.
EXHIBIT B

Timnath Model Resolution Approving The Model Multiple District Service Plan

TOWN OF TIMNATH, COLORADO
RESOLUTION NO. ___ SERIES 20___


WHEREAS, the Town Council of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., as amended, and the Timnath Special District Policy, a Service Plan (the "Service Plan") for the [Nos. ___] Metropolitan District (the "District[s]") has been submitted to the Town Council; and

WHEREAS, pursuant to the provisions of Article 1, Title 32, Colorado Revised Statutes, as amended (the "Special District Act"), and the Timnath Special District Policy, the Town Council held a public hearing on the Service Plan for the District[s]; and

WHEREAS, notice of the hearing before the Town Council was duly published in the Coloradoan, a newspaper of general circulation within the Town, on _____________, as required by law, and forwarded to the petitioners, others entitled to postcard or letter notice, the Division of Local Government, and the governing body of each municipality and title 32 district that has levied an ad valorem tax within the next preceding tax year and that has boundaries within a radius of three miles of the Districts; and

WHEREAS, the Town Council has considered the Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, the Town Council finds that the Service Plan should be [approved unconditionally/approved conditionally], as permitted by Sections 32-1-203(2) and 32-1-204.5(1)(a), C.R.S., as amended, and the Timnath Special District Policy; and

WHEREAS, the Town Council further finds that it is in the best interests of the residents of the Town to enter into an Intergovernmental Agreement (the "IGA") with the District[s] for the purpose of assigning the relative rights and responsibilities between the Town and the District[s] with respect to certain functions, operations, and obligations of the District[s]; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO AS FOLLOWS:

1229.0300: 956198
Section 1.
The Town Council hereby determines that all of the requirements of the Special District Act and the Timnath Special District Policy relating to the filing of the Service Plan for the District[s] have been fulfilled and that notice of the public hearing was given in the time and manner required by law.

Section 2.
The Town Council further determines that all pertinent facts, matters and issues were submitted at the public hearing; that all interested parties were heard or had the opportunity to be heard and that evidence satisfactory to the Town Council of each of the following was presented:
   a. There is sufficient existing and projected need for organized service in the area to be serviced by the District[s];
   b. The existing service in the area to be served by the District[s] is inadequate for present and projected needs;
   c. The District[s] are capable of providing economical and sufficient service to the area within their proposed boundaries;
   d. The area to be included in the District[s] has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

Section 3.
The Town Council hereby approves the Service Plan for the District[s] as submitted.

Section 4.
The Mayor and the Town Clerk are hereby authorized to execute, on behalf of the Town, the IGA in substantially the form presented in the Service Plan, with such technical additions, deletions, and variations as the Town Attorney may deem necessary or appropriate and not inconsistent with this Resolution.

Section 5.
The District[s] shall not be authorized to incur any bonded indebtedness until such time as the District[s] have approved and executed the IGA and the District[s] have certified the Regional Improvement Mill Levy for collection by the county treasurer.

Section 6.
This Resolution shall be filed in the records of the Town and a certified copy thereof submitted to the petitioners for the District[s] for the purpose of filing in the District Court.

Section 7.
All prior resolutions or any parts thereof, to the extent that they are inconsistent with this Resolution, are hereby rescinded.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON ____________________.

TOWN OF TIMNATH, COLORADO

1229.0300: 956198
Jill Grossman-Belisle, Mayor

ATTEST:

______________________________
Milissa Peters-Garcia, CMC
Town Clerk

[EXHIBIT A – SERVICE PLAN]
EXHIBIT C

Timnath Model Multiple District Service Plan
MODEL SERVICE PLAN FOR

METROPOLITAN DISTRICT NOS. ___

TOWN OF TIMNATH, COLORADO

Prepared

by

[NAME OF PERSON OR ENTITY]
[ADDRESS]
[ADDRESS]

[DATE]
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I. INTRODUCTION

A. Purpose and Intent.

(i) Enabling Authority. It is the intention of the Town that this Service Plan grants authority to the Districts to construct some or all of the Public Improvements authorized herein. If the Districts elect not to provide certain of the Public Improvements, which may be provided in accordance with an Approved Development Plan or other agreement with the Town, the Districts shall notify the Town in writing of such election whereupon the Town shall have 30 days to provide a letter to the Districts advising the Districts of the obligation to seek a formal amendment to this Service Plan, or, in the alternative, advising that such election does not constitute a material modification hereof. If the Town determines that such election does not constitute a material modification hereof, the Districts shall submit a written modification of this Service Plan to the Town for administrative approval as a non—material modification whereupon the authority of the Districts to provide such Public Improvements shall be deemed stricken from this Service Plan. In all events, the Town and the Districts acknowledge that the Districts are independent units of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan.

(ii) General Purpose. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements and not to provide long term operations and maintenance of Public Improvements except as specifically authorized herein or in an intergovernmental agreement with the Town.

B. Need for the Districts.

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the Districts is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the Town Regarding Districts' Service Plan.

The Town’s objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the Districts. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties, and at a maximum mill levy no higher than the Maximum Aggregate Mill Levy for commercial and residential properties, and/or repaid by Fees, as long as such Fees are not imposed upon or collected from Taxable Property owned or occupied by an End User for the purpose of creating a
capital cost payment obligation as further described in Section V.A. 11. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of said Debt.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities in connection with any trails and related amenities, or other Public Improvements not dedicated to another entity will be allowed subject to entering into an intergovernmental agreement with the Town.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt and for continuation of any operations approved in an intergovernmental agreement. The Districts may be allowed to continue certain limited operations and to retain those powers necessary to impose and collect taxes or fees to pay for costs and functions if permitted by intergovernmental agreement with the Town.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy and which shall not exceed the Maximum Debt Mill Levy Imposition Term. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden associated with financing such improvements that is greater than that associated with the Maximum Debt Mill Levy in amount, and that no property bear an economic burden associated with such improvements that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts. With regard to Regional Improvements, this Service Plan also provides for the District to pay a Regional Improvement Mill Levy in order to help ensure that new developments that necessitate and benefit from the Town's Regional Improvements pay their fair share of the costs associated with building and maintaining said improvements.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Subdivision Improvement Agreement or other process established by the Town for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.

Board: means the board of directors of each District.
Bond, Bonds or Debt: means bonds or other obligations for the payment of which a District has promised to impose an ad valorem property tax mill levy, and/or collect Fee revenue.

Covenant Enforcement and Design Review Services: means those services authorized under Section 32-1-1004(8), C.R.S.

District: means any one of the Districts.

Districts: means District No. 1 [and District Nos. ____ , ____ , ____ (fill in number of each District), collectively.]

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Aggregate Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant approved by the Town that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place; and (iii) is not an officer or employee of the Districts and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fee(s): means any fee imposed by the Districts for services, programs or facilities provided by the Districts, as described in Section V.A.11. below.

Financial Plan: means the Financial Plan described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes. In addition to the information in Section VI the Town may require additional financial forecasts and feasibility reports to support the Financial Plan.

Gallagher Adjustment: means if, on or after January 1, 2018, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the Maximum Aggregate Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2018, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.
Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map which depicts only property contained within the Project as outlined in the Approved Development Plan.

Inclusion Area Boundary Map: means the map attached hereto as Exhibit C-2, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as Exhibit C-1, describing the District’s initial boundaries.

Maximum Aggregate Mill Levy: means the maximum mill levy the Districts are permitted to impose for payment of Debt, capital improvements administration, operations, and maintenance expenses as set forth in Section VI.C. below.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose for payment of Debt as set forth in Section VI.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

Maximum Operations and Maintenance Mill Levy: means the maximum mill levy the Districts are permitted to impose for payment of operations as set forth in Section VI.C. below.

Minimum Criteria: means that (1) the Debt is subject to the Maximum Debt Mill Levy, as adjusted; (2) together with other outstanding Debt, the Debt is not excess of the maximum Debt authorization, as may be amended from time to time; (3) together with other outstanding Debt, the Debt is not in excess of the Debt authority approved by the District’s electorate; (4) the maximum voted interest rate and maximum underwriting discount have not been exceeded; and the Maximum Aggregate Mill Levy and Maximum Debt Mill Levy Imposition Term set forth in the Service Plan have not been exceeded.

Project: means the development or property commonly referred to as __________.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act and listed on Exhibit F, except as specifically limited in Section V below, to serve the future taxpayers and inhabitants of the Service Area as determined by the Boards of the Districts.

Regional Improvements: means such Public Improvements and facilities that the Town, in its sole reasonable discretion, believes are public in nature and are permitted by State
law to be paid for from revenues derived from the Districts, including operations and maintenance thereof.

Regional Improvements Mill Levy: means the mill levy imposed by the Districts for the payment of the costs of the planning, design, permitting, construction, acquisition and financing of the Regional Improvements, as set forth in Section VI.

The Regional Improvements Mill Levy shall be subject to adjustment as follows: On or after January 1, 2017, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the Regional Improvements Mill Levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2017, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this service plan for the Districts approved by Town Council.

Service Plan Amendment: means an amendment to the Service Plan approved by Town Council in accordance with the Town’s ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the Districts.

TDA Intergovernmental Agreement: means the intergovernmental agreement with the Timnath Development Authority the form of which is attached hereto as Exhibit E. [if applicable]

Town: means the Town of Timnath, Colorado.

Town Code: means the Town Code of the Town of Timnath, Colorado.

Town Council: means the Town Council of the Town of Timnath, Colorado.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately _____ (_____) acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately __________ (____) acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as Exhibit A. A vicinity map is attached hereto as
Exhibit B. A map of the Initial District Boundaries is attached hereto as Exhibit C-1, and a map of the Inclusion Area Boundaries is attached hereto as Exhibit C-2. It is anticipated that the Districts’ boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Section V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately _______ (___) acres of __________ land. The current assessed valuation of the Service Area is $0.00 for purposes of this Service Plan and, at build-out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the Districts at build-out is estimated to be approximately ______ (___) people.

Approval of this Service Plan by the Town does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to provide the Public Improvements and limited operation and maintenance services within and, if pursuant to an Approved Development Plan, without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein, and subject to compliance with § 32-1-107(3)(b)(IV), C.R.S. as evidenced by the affidavit attached hereto as Exhibit G, the (“Affidavit Regarding Overlapping Consent”)


The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall operate and maintain all trails and related amenities within the Districts and the Inclusion Area Boundary pursuant to an intergovernmental agreement with the Town, which shall be executed at the first meeting of the Districts after approval of this Service Plan. Operational activities for other Public Improvements not dedicated to another entity are allowed subject to entering into an intergovernmental agreement with the Town allowing the Town to set minimum standards for maintenance. All parks and trails shall be open to the general public, including Town residents who do not reside in the Districts, free of charge. Any Fee imposed by the Districts for access to recreation
improvements owned by the Districts, other than parks and trails, shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with use of District recreational improvements, other than parks and trails, by Town residents who do not reside in the Districts to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the Districts’ determination that such Fees do not exceed a reasonable annual market fee for users of such facilities. All operations and maintenance Fees and Fee increases shall be subject to review and approval by the Town.

2. **Fire Protection Limitation.**

The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. **Television Relay and Translation Limitation.**

The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the Town.

4. **Construction Standards Limitation.**

The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction. The Districts will obtain the Town’s approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

5. **Financial Advisor Certification.**

Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of an External Financial Advisor approved by the Town, in form substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the Districts’ Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of
comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the Districts.

The Districts' shall submit notice to the Town Manager of the proposed External Financial Advisor which shall either be approved or objected to within ten (10) days of the selection of an External Financial Advisor. If the Town Manager does not object to such selection within the ten (10) day period, the Town Manager's approval shall be deemed to have been given.

6. **Inclusion Limitation.**

The Districts shall not include within their boundaries any property outside the Inclusion Area Boundaries. The Districts shall not include within any of their boundaries any property inside the Inclusion Area Boundaries without advance notice to the Town. No property will be included within any district at any time unless such property has been annexed into the Town's corporate limits.

7. **Exclusion Limitation.**

The Districts shall include all property with the Inclusion Area by (Date) and shall not exclude from their boundaries thereafter any property within the Inclusion Area Boundaries which would result in the property not being within the boundaries of one of the Districts without the prior written consent of the Town. The Districts shall follow the procedure for exclusion of property as provided in Section 32-1-502, C.R.S.

8. **Overlap Limitation.**

The boundaries of the Districts shall not overlap unless the combined mill levies for the overlapping Districts will not at any time exceed the Maximum Aggregate Mill Levy, respectively. Additionally, the Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the combined mill levies for the districts will not at any time exceed the Maximum Aggregate Mill Levy.

9. **Initial Debt and Operations Limitations.**

On or before the effective date of approval by the Town of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt. This requirement may be waived by administrative action of the Town. Until such time as the Districts have each certified the Regional Improvement Mill Levy as prescribed below, the Districts may not (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt, operations and maintenance, administration, contractual obligations, or any other purpose; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.
10. **Total Debt Issuance Limitation.**

The Districts shall not issue Debt in excess of ($__________).  

11. **Fee Limitation.**

The Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance. Any operations and maintenance Fees and Fee Increases not specifically listed herein shall be subject to review and written approval by the Town, either administratively or by formal action of Town Council, at the discretion of the Town Manager. If the Town does not respond to a request for the imposition of an operations and maintenance Fee or Fee Increase within thirty (30) days of receipt of a written request, the Town shall be deemed to have waived its approval authority with respect to the requested operations and maintenance Fee or Fee Increase. Any operation and maintenance Fee imposed without approval as set forth herein shall constitute a material departure from the Service Plan. No Fee related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from owners of Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a direct capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this section related to capital fees charged to End Users shall not apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the Districts.

12. **Monies from Other Governmental Sources.**

The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the Town is eligible to apply for, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

13. **Consolidation Limitation.**

The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, unless such consolidation is with District No. ____.

14. **Bankruptcy Limitation.**

All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Operations Mill Levy, Maximum Aggregate Mill Levy, Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term, and the Fees have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and
(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

The filing of any bankruptcy petition by the Districts shall constitute, simultaneously with such filing, a material departure of the express terms of this Service Plan, and thus an express violation of the conditional approval of this Service Plan.

15. Water Rights/Resources Limitation.

The Districts shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to an intergovernmental agreement with the Town. [add to IGA if applicable]


The Districts shall not provide any extraterritorial service or public improvements without Town consent, which may be obtained administratively, in writing, from the Town Manager. [add to IGA if applicable]

17. Eminent Domain Limitation.

The Districts shall be authorized to utilize the power of eminent domain after entering into a written agreement with the Town.


The Districts shall provide all community functions authorized by covenants, conditions and restrictions including the Covenant Enforcement and Design Review Services for the Project, unless otherwise provided pursuant to an intergovernmental agreement with the Town. [add to IGA if applicable] The Districts shall not impose assessments to fund Covenant Enforcement and Design Review Services, but the Districts shall be authorized to impose Fees to defray the costs of such Services. The Districts shall be authorized to contract among themselves to assign responsibility for Covenant Enforcement and Design Review Services.


The Town shall be permitted to conduct periodic reviews of the financial powers of the Districts in the service plan at its discretion, including more frequently than the so-called "quinquennial" review contemplated by CRS Section 32-1-1101.5. Within sixty days of receipt of notice of the Town's intent to conduct such a financial review, the Districts shall submit to the Town an application for a finding of reasonable due diligence setting forth the amount of the Districts' authorized but unissued general obligation debt, any current or anticipated plan to issue such debt, a copy of each District's last audit or audit exemption, and any other information required by the Town relevant to making its determination of due diligence as provided below.
The Town’s procedures for conducting a financial review under this Paragraph 19, and the remedies available to the Town as a result of such financial review shall be identical to those provided for in CRS Section 32-1-1101.5(2).

B. Service Plan Amendment Requirement.

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in V.A, VI, or VII A-1. shall be deemed to be material modifications to this Service Plan and the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts, including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.

C. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements within and without the boundaries of the Districts as set forth on Exhibit F, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately _______________ Dollars ($__________).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the Town, or any other appropriate entity providing a service the Town does not provide, and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

D. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The Districts will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

VI. REGIONAL IMPROVEMENTS

The Districts shall be authorized and required to provide a contribution to the funding of Regional Improvements and fund the administration and overhead costs related to the provision
of the Regional Improvements incurred as a result of participation in an intergovernmental agreement.

The Districts shall obtain TABOR authorization for and impose the Regional Improvements Mill Levy, and shall convey the revenue derived therefrom to the Town pursuant to an executed intergovernmental agreement for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the Districts in accordance with such agreement. The Regional Improvements Mill Levy shall be used for the purposes referenced above, as prioritized and determined by the Town in its sole discretion. The Regional Improvements Mill Levy is included within the Maximum Aggregate Mill Levy.

The Regional Improvements Mill Levy shall be imposed as follows: (i) one (1) mill for collection beginning for each District beginning the first year of collection of a debt service mill levy or operations and maintenance mill levy by such District and continuing each year thereafter through the twentieth (20th) year; (ii) five (5) mills from the twenty-first (21st) year through the fortieth (40th) year; and (iii) ten (10) mills from the forty-first (41st) year until such District is dissolved.

VII. **FINANCIAL PLAN**

A. **General.**

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed ________________ Dollars ($_______) and shall be permitted to be issued on a schedule and in such year or years as the Districts determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All Bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, subject to the limits in this Service Plan. In addition to the information in this Section VI, the Town may require additional financial forecasts and feasibility reports.

The Financial Plan is only one example of how the Districts may finance the Public Improvements and is not intended to establish an additional limitation but, rather is one example of a financing that could be pursued. The amount of Debt issued, the mill levy pledged, the date of issuance, the term of the bonds and the other information in the Financial Plan is intended to show one example of the Districts’ ability to issue and repay Debt. The actual Debt issued by the Districts will most certainly differ from what is shown in the Financial Plan. Notwithstanding
anything else herein to the contrary, all issuances of Debt shall be deemed to be in compliance with the Financial Plan and the Service Plan so long as the Minimum Criteria have been met.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. All debt-related election ballot questions shall provide that in the event of a default, the proposed maximum interest rate on any Debt shall not exceed eighteen percent (18%). All debt-related election ballot questions shall provide that the proposed maximum underwriting discount for Debt will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities. All debt-related election ballot questions shall be drafted so as to limit each District’s debt service mill levy to the Maximum Debt Mill Levy. Prior to any election to authorize the issuance of debt, each district shall cause a letter prepared by an attorney licensed in the State of Colorado to be provided to the Town opining that the requirements of this paragraph have been satisfied. Failure to observe the requirements established in this paragraph shall constitute a material modification under the Service Plan and shall entitle the Town to all remedies available at law and in equity, including the remedies provided for in Section V(19), herein.

C. Maximum Mill Levies.

1. The Maximum Debt Mill Levy shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt, and shall be subject to and included within the Aggregate Mill Levy Cap defined below.

2. The Maximum Operations and Maintenance Mill Levy shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of administration, operations, maintenance, and capital costs, and shall be subject to and included within the Aggregate Mill Levy Cap defined below.

3. The Maximum Aggregate Mill Levy shall be the maximum combined mill levy a District is permitted to impose upon the taxable property within the District for payment of all expense categories, including but not limited to: Debt, capital costs, and administration, operations, and maintenance costs, and shall be fifty (50) mills, which maximum shall be inclusive of the Regional Improvement Mill Levy, and which maximum shall be subject to Gallagher Adjustment.

4. If the total amount of aggregate Debt of a District exceeds fifty percent (50%) of that District’s assessed valuation, the Maximum Aggregate Mill Levy shall be fifty (50) mills. If the total amount of aggregate Debt of a District is equal to or less than fifty percent (50%) of that District’s assessed valuation, either on the date of issuance or at any time thereafter, the Maximum Aggregate Mill Levy will be increased to sixty (60) mills.

5. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.4. above, so that the Districts are entitled to pledge to their debt service payments the increased Maximum Debt Mill Levy as described above, the Districts may provide that such
Debt shall remain secured by the increased Maximum Debt Mill Levy as described above, notwithstanding any subsequent change in the Districts’ Debt to assessed ratio. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

6. To the extent that a District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term “District” as used herein shall be deemed to refer to each District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

7. Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

D. Maximum Debt Mill Levy Imposition Term.

No District shall have any authority to impose or collect any mill levy, fee, charge, rate, toll or any other financial burden on property or persons for repayment of any and all Debt (or use the proceeds hereof for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of a debt service mill levy by the District in which such property is located, unless a majority of the Board are residents of the District and the Board shall have voted in favor of a refunding of a part or all of the Debt. At the end of the forty (40) year term any and all debt that has not been paid shall be forgiven.

E. Debt Repayment Sources.

The Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts’ discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the debt service mill levy in the Districts exceed the Maximum Debt Mill Levy or, the Maximum Debt Mill Levy Imposition Term.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the
resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

G. Security for Debt.

The Districts shall not pledge any revenue or property of the Town as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the Districts in the payment of any such obligation.

H. TABOR Compliance.

The Districts will comply with the provisions of TABOR. In the discretion of the Board, of any one or all of the Districts may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the Districts will remain under the control of the Districts' Boards.

I. District Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be _______________ Dollars ($_______________), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be ___________ Dollars ($__________) which is anticipated to be derived from property taxes and other revenues.

VIII. ANNUAL REPORT

A. General.

The Districts shall be responsible for submitting an annual report to the Town Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the Districts has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:
1. Boundary changes made or proposed to the Districts’ boundary as of December 31 of the prior year.

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

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

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

5. Status of the Districts’ construction of the Public Improvements as of December 31 of the prior year.

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

7. The assessed valuation of the Districts for the current year.

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

9. Audit of the Districts’, and any entity formed by one or more of the Districts, 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.

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

11. Any inability of a 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.

In addition to the annual report, the Districts will be required to submit to a periodic review, unlimited in scope, as provided for in Section V(19) herein.

IX. DISSOLUTION

Upon an independent determination by the Town Council that the purposes for which a District was created have been accomplished, all powers contained in the service plan will be suspended except as necessary to develop and propose a plan for dissolution and to conduct all proceedings required for the dissolution, including an election, if necessary. The Districts agree to file petitions and a plan for dissolution with the Town for review and approval before filing said documents in the appropriate district court in accordance with §32-1-701 et seq. C.R.S.
X. DISCLOSURE TO PURCHASERS

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide written notice to all purchasers of property in the Districts regarding the Maximum Aggregate Mill Levy, as well as a general description of the Districts' authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the Town prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Aggregate Mill Levy.

XI. INTERGOVERNMENTAL AGREEMENTS

The form of the intergovernmental agreement, relating to the limitations imposed on the Districts' activities, is attached hereto as Exhibit D. The Districts shall approve the intergovernmental agreement in the attached form at its first Board meeting after its organizational election. Failure of the Districts to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council shall approve the intergovernmental agreement in the attached form at the public hearing approving the Service Plan. Any determination by a court of competent jurisdiction that such intergovernmental agreement is invalid, nonbinding, or unenforceable in any material degree shall be deemed a material departure from the express terms of this Service Plan.

The form of the TDA Intergovernmental Agreement is attached hereto as Exhibit E. The Districts shall approve the TDA Intergovernmental Agreement in the attached form at its first Board meeting after its organizational election. Failure of the Districts to execute the TDA Intergovernmental Agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The Town Council shall approve the TDA Intergovernmental Agreement in the attached form at the public hearing approving the Service Plan. [if applicable]

All intergovernmental agreements must be submitted to the Town for review and approval by the Town before execution by the Districts.

XII. CONCLUSION

It is submitted that this Service Plan for the Districts, as required by Section 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;

2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;

3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
EXHIBIT A

Legal Descriptions
EXHIBIT B

Timnath Vicinity Map
EXHIBIT C-1

Initial District Boundary Map
EXHIBIT C-2

Inclusion Area Boundary Map
EXHIBIT D

Intergovernmental Agreement between the Districts and Timnath
[MULTIPLE DISTRICT SERVICE PLAN]

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF TIMNATH, COLORADO

AND

____________ METROPOLITAN DISTRICT NOS. _____

THIS INTERGOVERNMENTAL AGREEMENT (the “Agreement”) is made and entered into as of this ___ day of ____________, ______, by and between the TOWN OF TIMNATH, a home-rule municipal corporation of the State of Colorado (“Town”), and __________ METROPOLITAN DISTRICT NOS. _____, quasi-municipal corporations and political subdivisions of the State of Colorado (the “Districts”). The Town and the Districts are collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts’ Service Plan approved by the Town on ______________ (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the Districts, as required by the Timnath Town Code; and

WHEREAS, the Town and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall operate and maintain all trails and related amenities pursuant to an intergovernmental agreement with the Town, which shall be executed at the first meeting of the Districts after approval of this service plan. Operational activities for other Public Improvements not dedicated to another entity are allowed subject to entering into an intergovernmental agreement with the Town allowing the Town to set minimum standards for maintenance. Any Fee imposed by the Districts for access to recreation improvements owned by the Districts shall not result in Town residents who reside outside the Districts paying a user fee that is greater than, or otherwise disproportionate to, similar fees and
taxes paid by residents of the Districts. However, the Districts shall be entitled to impose an
administrative fee as necessary to cover additional expenses associated with use of District park
and recreational improvements by Town residents who do not reside in the Districts to ensure
that such costs are not the responsibility of a District’s residents, provided that such
administrative fee shall not result in Town residents who reside outside the Districts paying a
user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by
residents of the Districts. All such Fees shall be based upon the District’s determination that
such Fees do not exceed a reasonable annual market fee for users of such facilities. All
operations and maintenance Fees and Fee increases shall be subject to review and approval by
the Town. Notwithstanding the foregoing, all parks and trails shall be open to the general public,
including Town residents who do not reside in the Districts, free of charge.

2. Service Plan. The Districts shall not take any action, including without
limitation the issuance of any obligations or the imposition of any tax or fee, which would
constitute material modification of the Service Plan as set forth in Section 32-1-207(2), C.R.S.
Actions of the Districts which violate any restriction set forth in the Service Plan constitute a
material modification of the Service Plan that shall be a default under this Agreement, and shall
entitle the Town to protect and enforce its rights under this Agreement by such suit, action, or
special proceedings as the Town deems appropriate. It is intended that the contractual remedies
herein shall be in addition to any remedies the Town may have or actions the Town may bring
under Section 32-1-207, C.R.S., or any other applicable statute. The Town may impose any
sanctions allowed by the Timnath Municipal Code or statute. Nothing herein is intended to
modify or prevent the use of the provisions of Section 32-1-207(3)(b), C.R.S, however, the time
limits of Section 32-1-207(3)(b), C.R.S., are expressly waived by the Districts.

The Service Plan grants authority to the Districts to construct some or all of the Public
Improvements identified herein. If the Districts elect not to provide certain of the Public
Improvements that are assigned to it as part of an Approved Development Plan, the Districts
shall notify the Town in writing of such election whereupon the Town shall have 30 days to
provide a letter to the Districts that such election does not constitute a material modification
hereof, or to otherwise advise the Districts of the obligation to seek a formal amendment to this
Service Plan. If the Town determines that such election does not constitute a material
modification hereof, the Districts shall submit a written modification of this Service Plan to the
Town for administrative approval as a non—material modification, whereupon the authority of
the Districts to provide such Public Improvements shall be deemed stricken from the Service
Plan.

3. Regional Improvements. The District shall be authorized and required to
contribute to the funding of the Regional Improvements and fund the administrative and
overhead costs related to the provision of the Regional Improvements incurred as a result of
participation in this Agreement through the imposition of a Regional Improvements Mill Levy,
as defined in the Service Plan.

The Districts shall impose the Regional Improvements Mill Levy, and shall remit all
revenue derived therefrom to the Town beginning in the first tax collection year after execution
of this Agreement in which the District certifies a debt service or operating mill levy and
continuing thereafter as prescribed in the District’s service plan. The Regional Improvements Mill Levy shall be used in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements as prioritized and determined by the Town, in its sole discretion. The obligation to impose and remit the Regional Improvement Mill Levy shall be deemed a multi-fiscal year obligation under the Colorado Constitution, and shall require voter approval in the form of a TABOR election.

4. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

   To the Districts: __________ Metropolitan District Nos. __________
   Attn:
   Phone:
   Fax:

   To the Town: Attn: Town Manager
   Town of Timnath
   4800 Goodman Street
   Timnath, CO 80547
   Phone: (970) 224-3211

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

6. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

7. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including but not limited to suits for declaratory judgment, specific
performance, injunction, and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

8. **Governing Law and Venue.** This Agreement shall be governed and construed under the laws of the State of Colorado.

9. **Inurement.** Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

10. **Integration.** This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

11. **Parties Interested Herein.** Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Districts and the Town any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts and the Town shall be for the sole and exclusive benefit of the Districts and the Town.

12. **Severability.** If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

14. **Paragraph Headings.** Paragraph headings are inserted for convenience of reference only.

15. **Defined Terms.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

______________________________
METROPOLITAN

DISTRICT NOS. ____

By: ____________________________

President
Attest:

______________________________
Secretary

TOWN OF TIMNATH, COLORADO

By: ___________________________
Mayor

Attest:

By: ___________________________
Its: ___________________________

APPROVED AS TO FORM: ___________________________
EXHIBIT E

TDA Intergovernmental Agreement [if applicable]
EXHIBIT F

Public Improvements
EXHIBIT G

Affidavit Regarding Overlapping Consent
AFFIDAVIT REGARDING OVERLAPPING CONSENT

I, ________________________, the proponent of the Service Plan for _______________________ Metropolitan District Nos. _____ state as follows:

1. I am over the age of eighteen (18) and am of sound mind.

2. The _______________________ Metropolitan District Nos. _____ will overlap one or more special or metropolitan districts; specifically, the Boxelder Sanitation District, ________________________, and _______________________.

3. The improvements or facilities to be financed, established, or operated by the overlapping special district for the provision of the same service as the existing special or metropolitan district do not duplicate or interfere with any other improvements or facilities already constructed or planned to be constructed within the portion of the existing special or metropolitan district that the overlapping special district overlaps or will overlap.

4. The board of directors of any special district or metropolitan district authorized to provide a service within the boundaries of the overlapping area has consented to the overlapping special district providing the same service.

FURTHER AFFIANT SAYETH NAUGHT.

[Name]

STATE OF COLORADO )
)ss.
COUNTY OF __________ )

Affidavit subscribed and sworn to me this ____ day of ___________, 20__, by ____________.

Witness my hand and official seal.

My commission expires: ____________

__________________________________
Notary Public