

CITY OF BOULDER
MODEL METROPOLITAN DISTRICT SERVICE PLAN

SERVICE PLAN
FOR
[_____] METROPOLITAN DISTRICT

CITY OF BOULDER, COLORADO

Approved: [_____]

TABLE OF CONTENTS

SERVICE PLAN 1

ARTICLE I: INTRODUCTION 1

ARTICLE II: DEFINITIONS 2

ARTICLE III: BOUNDARIES..... 5

ARTICLE IV: PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION..... 5

ARTICLE V: DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES..... 5

 1. Powers of the District and Service Plan Amendment..... 5

 2. Operations and Maintenance Limitation..... 5

 3. Fire Protection Limitation..... 6

 4. Television Relay and Translation Limitation. 6

 5. Telecommunication Facilities. 6

 6. Golf Course Construction Limitation. 7

 7. Zoning and Land Use Requirements..... 7

 8. Growth Limitations..... 7

 9. Construction Standards Limitation. 7

 10. Eminent Domain Limitation. 7

 11. Privately Placed Debt Limitation..... 7

 12. Inclusion and Exclusion..... 8

 13. Overlap Limitation..... 8

 14. Initial Debt Limitation. 8

 15. Total Debt Issuance Limitation..... 8

 16. Fee Limitation. 9

 17. Public Improvement Fees. 9

 18. Special Assessments. 9

 19. Moneys from Other Governmental or Non-Profit Sources..... 9

 20. Consolidation Limitation..... 9

 21. Bankruptcy Limitation..... 9

 22. Revenue Bond Limitation. 10

 23. Service Plan Amendment Requirement..... 10

 24. Preliminary Engineering Survey..... 11

ARTICLE VI: REGIONAL IMPROVEMENTS 11

ARTICLE VII: FINANCIAL PLAN..... 12

 1. General. 12

 2. Maximum Voted Interest Rate and Maximum Underwriting Discount. 13

 3. Maximum Debt Mill Levy..... 13

 4. Maximum Combined Mill Levy..... 13

 5. Maximum Debt Mill Levy Imposition Term. 14

6.	Debt Repayment Sources.	14
7.	Debt Instrument Disclosure Requirement.....	15
8.	Security for Debt.....	15
9.	TABOR Compliance.....	15
10.	District’s Operating Costs.....	15
11.	Subdistricts.....	16
ARTICLE VIII: ANNUAL REPORT		16
1.	General.	16
2.	Standard Reporting Requirements of Significant Events.	16
3.	Additional Reporting Requirements. :	17
ARTICLE IX: TRANSPARENCY.....		17
ARTICLE X: DISSOLUTION		17
ARTICLE XI: REQUIRED DISCLOSURES		18
ARTICLE XII: INTERGOVERNMENTAL AGREEMENT		18
ARTICLE XIII: AMENDMENT REQUIREMENT		18
ARTICLE XIV: CONCLUSION.....		19

LIST OF EXHIBITS

EXHIBIT A	Legal Descriptions
EXHIBIT B	Boulder Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT D	Intergovernmental Agreement between the District and Boulder
EXHIBIT E	Model Notice
EXHIBIT F	Financial Plan

ARTICLE I: INTRODUCTION

Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, 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 City insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements. The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District 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 District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

Public Benefit.

[Describe public benefit of the Project and the Public Improvements].

Objective of the City Regarding District's Service Plan.

The City's objective in approving the Service Plan for the District is to authorize the District 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 District. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term and at a tax mill levy no higher than the Maximum Debt Mill Levy for all properties, and/or repaid by Public Improvement Fees, Special Assessments and/or Fees, as long as such Fees are not imposed upon or collected from property owned or occupied by an End User for the purpose of creating a capital cost payment obligation as further described in Article V.16. 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 the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose of the District is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only through an intergovernmental agreement with the City. The District shall 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, except that if the District has ongoing operation and maintenance functions authorized under an intergovernmental agreement with the City, the District shall not be required to dissolve but shall

retain only the power necessary to impose and collect the Operation and Maintenance Mill Levy, Special Assessments or Fees in amounts necessary to pay for those Operation and Maintenance Costs. Additionally, if the Board determines that the existence of the District is no longer necessary to accomplish the purposes set forth in this Service Plan, the Board shall promptly effectuate the dissolution of the District.

The District 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 that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. The cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. With regard to Regional Improvements, this Service Plan also provides for the District to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

ARTICLE 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 site plan or final development plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the District's Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

BRI (BoulderRegional Improvements) Mill Levy: means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of Regional Improvements, as further described in Article VI.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations (1) for the payment of which the District has promised to impose an ad valorem property tax mill levy; (2) for the payment of which the District has promised to impose and collect Fees; or (3) to which the District has pledged any of its revenues.

City: means the City of Boulder, Colorado.

City Code: means the Boulder Revised Code 1981.

City Council: means the City Council of the City of Boulder, Colorado.

District: means [FILL DISTRICT NAME] Metropolitan District.

End User: means any owner, or tenant of any owner, of any taxable improvement within the District who is intended to become burdened by the imposition of ad valorem property taxes imposed by the District. By way of illustration, a commercial property owner or commercial tenant is an End User. The business entity that constructs commercial structures within the District with the intention of selling to others is not an End User.

External Fee Advisor: means a consultant that: (1) advises Colorado governmental entities on matters relating to the imposition of Fees by Colorado governmental entities, including matters such as the rates and structures of such Fees; and (2) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with a transaction related to the issuance of Debt payable from such Fees.

External Financial Advisor: means a consultant that: (1) 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; (2) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (3) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fee: means any fee imposed by the District for services, programs or facilities provided by the District, as described in Section V. below.

Financial Plan: means the Financial Plan of the District attached hereto as **Exhibit F** and described in Article VII which describes (1) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (2) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within the boundaries of the District.

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.

Intergovernmental Agreement: means the Intergovernmental Agreement between the District and the City, a form of which is attached hereto as **Exhibit D**. The Intergovernmental Agreement may be amended from time to time by the District and the City.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt, exclusive of the BRI Mill Levy and the Operation and Maintenance Mill Levy, as set forth in Article VII.3 below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy for the repayment of Debt on a particular property as set forth in Article VII.5 below.

Operation and Maintenance Costs: means (1) the costs of ongoing administrative, accounting, and legal services to the District; and (2) the costs of any programming or services provided by the District; and (3) any ongoing operation and maintenance costs or the costs of repair, and replacement of the Public Improvements. Operation and Maintenance Costs shall not include any ongoing operation and maintenance costs or the costs of repair, and replacement of Public Improvements dedicated to the City unless provided for in an intergovernmental agreement with the City.

Operation and Maintenance Mill Levy: means the mill levy the District is permitted to impose for the payment of the District's Operation and Maintenance Costs, as set forth in Article V.2 below.

Project: means the development or property commonly referred to as [COMMON NAME].

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

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, except as specifically limited herein, to serve the future taxpayers and inhabitants of the Service Area as determined by the Board.

Public Improvement Fee: means a public improvement fee imposed pursuant to a covenant recorded against all or a portion of the property within the District, or similar fee imposed by the owner of property in the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Article VI below.

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 District approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City Code and the applicable State law.

Special Assessment: means the levy of an assessment within the boundaries of a special improvement district pursuant to Article V.18.

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

State: means the State of Colorado.

ARTICLE 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 District's 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 Article V below.

ARTICLE 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 approximately [\$_____], which amount is expected to be sufficient to reasonably discharge the Debt as demonstrated in the Financial Plan. The commercial daily population of the District at build-out is estimated to be approximately ____ people. [The residential population of the Districts at build-out is estimated to be approximately _____ (____) people.]

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached hereto.

Approval of this Service Plan by the City in no way releases or relieves the developer of the Project, or the landowner or any sub-divider of the Project Property, or any of their respective successors or assigns, of obligations to construct Public Improvements for the Project or of obligations to provide to the City such financial guarantees as may be required by the City to ensure the completion of the Public Improvements, or of any other obligations to the City under the City Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the Project Property or development thereof.

ARTICLE V: DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

1. **Powers of the District and Service Plan Amendment.** The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District 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 in the Intergovernmental Agreement.

2. **Operations and Maintenance Limitation.** The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The

District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. If set forth in the Intergovernmental Agreement with the City, the District shall be authorized to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. All parks and trails owned by the District shall be open to the general public and residents of the City who do not reside in the District free of charge, subject to the rules and regulations of the District as adopted from time to time. Trails which are interconnected with a City or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of Property within the District.

In the event that the District imposes a mill levy for operation and maintenance purposes, such mill levy shall not exceed [\[NOT TO EXCEED 15 mills\]](#)-(the “Operation and Maintenance Mill Levy”); provided, that the Operation and Maintenance Mill Levy shall be adjusted annually to increase or decrease the maximum mill levy rate so that, to the extent possible, the actual tax revenues generated by the Operation and Maintenance Mill Levy are neither diminished nor enhanced as a result of (a) the assessment rate for commercial real property being increased or decreased from twenty-five percent (25%) of the actual value of the property, or (b) any constitutionally or statutorily mandated tax credit, cut, abatement or reduction in actual value enacted after January 1, 2026.

3. Fire Protection Limitation. The District 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 City or the appropriate fire district. 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.

4. Television Relay and Translation Limitation. The District 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 City.

5. Telecommunication Facilities. The District shall not construct telecommunication facilities except pursuant to an intergovernmental agreement with the City and that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the City to expand its telecommunication facilities or impair existing telecommunication facilities.

6. Golf Course Construction Limitation. The District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

7. Zoning and Land Use Requirements. The District shall be subject to all of the City's zoning, subdivision, building code and other land use requirements.

8. Growth Limitations. The City shall not be limited in implementing City Council or voter approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue.

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

10. Eminent Domain Limitation. The District shall be authorized to utilize the power of eminent domain only with the consent of the City Council as evidenced by a resolution or otherwise in accordance with the Intergovernmental Agreement. In the event the limit on the District's ability to exercise the power of eminent domain inhibits the District's ability to issue debt, or will cause the interest on any Debt issued by the District to be not excludable from gross income for federal income tax purposes, and the District shall have obtained the written opinion of bond counsel with respect to the foregoing, the limit set forth herein or in the Intergovernmental Agreement on the District's ability to exercise the power of eminent domain shall be of no further force or effect and shall be retroactive to the date of the organization of the District if the avoidance of the interest on Debt being not excludable from gross income for federal income tax purposes as described in this paragraph so necessitates.

11. Privately Placed Debt Limitation. Prior to the issuance of any privately placed debt, the District shall obtain and provide the City with the certification of an External Financial Advisor substantially as follows:

We are [I am] External Financial Advisor within the meaning of the District's 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 District.

For purposes of this Section, "privately placed debt" includes any debt or annually appropriated obligation that is sold to a private entity, including financial institutions, developers, or other private entities, and which no offering document related to such sale is required.

“Privately placed debt” does not include the sale of Debt to an underwriter who purchases Debt from the District with a view to the distribution to investors of Debt.

In no event shall Debt that is privately placed with a developer or owner of the property to be benefited with Public Improvements or annually appropriated obligation privately placed with a developer or owner of the property to be benefitted with Public Improvements bear interest at a rate that accrues at a compounding rate. Each instrument evidencing Debt or an annually appropriated obligation that is privately placed with a developer or owner of the property to be benefitted with Public Improvements shall provide that the District’s obligations thereunder shall be discharged 40 years after the date that such obligation is issued regardless of whether such obligation is paid in full.

12. Inclusion and Exclusion. The District shall not include property outside the Service Area within its boundaries without the prior written consent of the City, which consent shall be evidenced by resolution of the City Council. The District shall provide the City with notice of any inclusion of property within the boundaries of the Service Area. The District shall not exclude any property from its boundaries without the prior consent of the City Council, which consent shall be evidenced by resolution. No District shall exclude from its boundaries property upon which a Debt mill levy has been imposed for the purpose of the inclusion of such property into another district that has been or will be formed under the Special District Act, without the prior written consent of the City, which consent shall be evidenced by resolution. [The District shall not contain residential property and the District shall exclude all property to be used for residential purposes from its boundaries. (OR) At least 90% of the assessed value within the District’s boundaries shall be derived from commercial usage and at least 90% of the entire square footage within the District’s boundaries shall be used for commercial purposes. The District shall exclude property that is not used for commercial purposes in order to ensure that the requirements of this Section are met.]

13. Overlap Limitation. The boundaries of the District shall not overlap with the boundaries of another district organized under the Special District Act without the prior consent of the City as evidenced by a resolution of the City Council. Additionally, the District 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 District without the prior consent of the City as evidenced by a resolution of the City Council

14. Initial Debt Limitation. Prior to the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; or (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; (c) impose and collect any Fees used for the purpose of repayment of Debt, or (d) receive revenue from the imposition of any Public Improvement Fee.

15. Total Debt Issuance Limitation. The total aggregate principal amount of Debt issued by the District shall not exceed \$[_____], including the aggregate principal amount of Debt issued for Regional Improvements (the “Debt Limit”). The District shall only issue Debt with repayment terms within forty (40) years of the issue date of such Debt. Debt issued to refund existing Debt shall not count against the Debt Limit unless the aggregate principal amount of the Debt issued for refunding purposes exceeds the aggregate principal amount of Debt to be

refunded, in which case the difference shall be counted against the Debt Limit (example: if Debt in the principal amount of \$50,000,000 is issued to refund Debt originally issued in the principal amount of \$45,000,000, then \$5,000,000 of the refunding Debt will count against the Debt Limit).

16. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of Debt, capital costs, and/or for operations and maintenance; provide that any one-time Fees imposed or collected for the purpose of creating a capital cost payment obligation, such as Fees imposed on a per unit (*residential*) or per square foot (*non-residential*) basis, shall be imposed at or prior to the issuance of the initial building permit for the unit or structure and shall be paid in-full and discharged prior to an End User acquiring, leasing, or otherwise utilizing the applicable unit or structure. Prior to the imposition of any Fee or any amendment to increase the rate or amount of any Fee, the District shall provide the City with the certification of an External Fee Advisor substantially as follows:

We are [I am] External Fee Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the [insert the designation of the Fee] to be imposed by the District at [insert rate or amount of Fee] does not exceed a reasonable current rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of Fees imposed for similar purposes; and (2) the structure of [insert the designation of the Fee] is reasonable considering the financial circumstances of the District and similar Fees imposed for similar purposes, including the relative burden shared by the property and persons upon which the Fee is imposed in relation to the benefit received by such property and persons.

17. Public Improvement Fees. With the prior written consent of the City as evidenced by a resolution of the City Council, the District may collect and receive revenue from a Public Improvement Fee imposed within the Service Area.

18. Special Assessments. With the prior written consent of the City as evidenced by a resolution of the City Council, the District may establish one or more special improvement districts within its boundaries and may levy a Special Assessment within the special improvement district in order to finance all or part of the costs of any Public Improvements.

19. Moneys from Other Governmental or Non-Profit Sources. The District 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 City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to District without any limitation.

20. Consolidation Limitation. The District shall not file a request with any court to consolidate with another district organized under the Special District Act without the prior written consent of the City.

21. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt

Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan pursuant to its authority as a home rule municipality and under the Special District Act. 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).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy or 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 City as part of a Service Plan Amendment.

22. Revenue Bond Limitation. The District shall not issue revenue bonds, except as set forth in this Section. At least sixty-three (63) days prior to issuing any revenue bonds, the District must provide notice of its intent to issue revenue bonds to the City Attorney. At least thirty-five (35) days prior to issuing any revenue bonds, the District must submit all relevant details of such issuance to the City Attorney, including the proposed documents pursuant to which such revenue bonds will be issued. On or before the date of issuance of any revenue bonds, the District must provide the City Attorney with a letter dated the day of issuance prepared by the District’s counsel to the effect that the issuance of the revenue bonds complies with the provisions of this Service Plan, the City Code and applicable State law.

23. Service Plan Amendment Requirement. This Service Plan is general in nature and does not include specific detail in some instances because development plans have not been finalized. The Service Plan has been designed with sufficient flexibility to enable the District to provide required Public Improvements under evolving circumstances without the need for numerous amendments. Modification of the general types of services and facilities making up the Public Improvements, and changes in proposed configurations, locations or dimensions of the Public Improvements shall be permitted to accommodate development needs consistent with the then-current Approved Development Plan(s) for the Project, subject to the limitations of this Service Plan and the Intergovernmental Agreement.

The District is an independent unit of local government, separate and distinct from the City, and its activities are subject to review by the City insofar as they may deviate in a material manner from the requirements of the Service Plan, the City Code, or the Intergovernmental Agreement. As such, any action of the District which: (a) violates the limitations set forth in this Article V; (b) constitutes a material modification under the Special District Act and the City Code; or (c) constitutes a failure to comply with the Intergovernmental Agreement or other agreement with the City, which non-compliance has not been waived in writing by the City, shall be deemed

to be a material modification to this Service Plan and the City shall be entitled to all remedies available at law and in equity.

Any City approval requirements contained in this Service Plan (including, without limitation, any provisions requiring that a change, request, occurrence, act or omission be treated as a Service Plan Amendment or be deemed a “material modification” of the Service Plan) shall remain in full force and effect, and, unless otherwise provided by resolution of the City Council, such City approval shall continue to be required, notwithstanding any future change in law modifying or repealing any statutory provision concerning service plans, amendments thereof or modifications thereto.

24. Preliminary Engineering Survey. The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, 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, maintained 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 \$[_____].

All of the Public Improvements will be designed and constructed in such a way as to assure that the Public Improvements’ standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. Failure to observe the requirements established in this Section shall constitute a material modification pursuant to Section 32-1-207, C.R.S., and shall entitle the City to all remedies available at law and in equity.

All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

ARTICLE VI: REGIONAL IMPROVEMENTS

The District shall be authorized to provide for and contribute to the funding for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Regional Improvements, and to provide for the funding of the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in (a), or (b) below.

The District shall impose three (3) mills annually, beginning in the first year of collection of a debt service mill levy and continuing in each year thereafter until dissolution of the District, for the payment of the costs of the planning, design, permitting, construction, acquisition, operation, maintenance, and financing of the Regional Improvements; provided, that the BRI Mill Levy shall be adjusted annually to increase or decrease the maximum mill levy rate so that, to the extent possible, the actual tax revenues generated by the BRI Mill Levy are neither diminished nor enhanced as a result of (1) the assessment rate for commercial real property being increased or decreased from twenty-five percent (25%) of the actual value of the property, or (2) any constitutionally or statutorily mandated tax credit, cut, abatement or reduction in actual value enacted after January 1, 2026.

All revenue derived from the imposition of the BRI Mill Levy shall be remitted as follows:

- (a) If the City and the District have executed an intergovernmental agreement addressing the revenue derived from the BRI Mill Levy, then the revenue derived from the BRI Mill Levy shall be remitted to the City for use in accordance with such agreement; or
- (b) In the event the City and the District have not executed an intergovernmental agreement addressing the revenue derived from the BRI Mill Levy, then the revenue derived from the BRI Mill Levy shall be remitted by the District to the City and the City shall place all revenues received from the BRI Mill Levy in a special account for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping, financing and operation and maintenance of the Regional Improvements as prioritized and determined by the City.

The District shall have the authority to issue Debt for the Regional Improvements, pursuant to the intergovernmental agreement as described in (a) above. Failure of the District to impose or remit to the City the BRI Mill Levy shall be deemed a material modification of this Service Plan and the City make take any action at law and equity to enforce the same.

ARTICLE VII: FINANCIAL PLAN

1. General. The District 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 District. The Financial Plan for the District shall be to issue such Debt as the District 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 District shall be permitted to issue shall not exceed \$[] (including the aggregate principal amount of Debt issued for Regional Improvements) and shall be permitted to be issued on a schedule and in such year or years as the District 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 District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees to be imposed within the District. The District 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.

At least sixty-three (63) days prior to issuing any Debt, the District must provide notice of its intent to issue Debt to the City Attorney. At least thirty-five (35) days prior to issuing any Debt, the District must submit all relevant details of such issuance to the City Attorney, including the proposed documents pursuant to which such Debt will be issued. On or before the date of issuance of any Debt, the District must provide the City Attorney with a letter dated the day of

issuance of such Debt prepared by the District's counsel to the effect that the issuance of the Debt complies with the provisions of this Service Plan, the City Code and applicable State law.

2. 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. The maximum interest rate on any Debt shall not exceed twelve percent (12%). The maximum underwriting discount shall not exceed five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, the Intergovernmental Agreement, State law and Federal law as then applicable to the issuance of public securities.

3. Maximum Debt Mill Levy.

- (a) The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, exclusive of the BRI Mill Levy and the Operation and Maintenance Mill Levy, and shall be [] [NOT TO EXCEED 50 mills] provided, that the Maximum Debt Mill Levy shall be adjusted annually to increase or decrease the maximum mill levy rate so that, to the extent possible, the actual tax revenues generated by the Maximum Debt Mill Levy are neither diminished nor enhanced as a result of (i) the assessment rate for commercial real property being increased or decreased from twenty-five percent (25%) of the actual value of the property, or (ii) any constitutionally or statutorily mandated tax credit, cut, abatement or reduction in actual value enacted after January 1, 2026.
- (b) All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., and all other requirements of State law.
- (c) To the extent that the 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 the District and to each such subdistrict collectively, so that the limitations contained in this Service Plan will apply to the District and to each subdistrict on a collective basis, including but not limited to the limitation on total Debt, Maximum Debt Mill Levy and Operation and Maintenance Mill Levy. For example, if a subdistrict levies twenty mills on property within its boundaries for debt service on Debt, then the District is only permitted to levy up to the Maximum Debt Mill Levy less twenty mills on the same property for debt service on Debt so that the Maximum Debt Mill Levy is not exceeded with respect to the property within the subdistrict's boundaries.

4. Maximum Combined Mill Levy.

- (a) The Maximum Combined Mill Levy, which includes both the Maximum Debt Mill Levy and the Maximum Operation and Maintenance Mill Levy,

shall not exceed [] [NOT TO EXCEED 65]; provided, that the Maximum Combined Mill Levy shall be adjusted annually to increase or decrease the maximum mill levy rate so that, to the extent possible, the actual tax revenues generated by the Maximum Combined Mill Levy are neither diminished nor enhanced as a result of (i) the assessment rate for commercial real property being increased or decreased from twenty-five percent (25%) of the actual value of the property, or (ii) any constitutionally or statutorily mandated tax credit, cut, abatement or reduction in actual value enacted after January 1, 2026. The Regional Improvement Mill Levy shall not be counted against the Maximum Combined Mill Levy.

- (b) The District may impose an ad valorem tax (a mill being equal to 1/10th of 1 cent) upon the Taxable Property within the District for the purpose of paying the debt service requirements on District Debt, subject to the Maximum Combined Mill Levy. The Maximum Debt Mill Levy shall not exceed 65 mills, provided that at such time as the total amount of aggregate Debt of the District is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance of any Debt or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy if End Users cast the majority of affirmative votes taken by the Board at the meeting authorizing such action, and, as a result, the mill levy may be such amount as is necessary to pay the debt service on such Debt, and the Board may further provide that such Debt shall remain secured by such increased mill levy, notwithstanding any subsequent change in the District's Debt to assessed value ratio.

5. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the BRI Mill Levy in accordance with Article VI. The District shall not impose a levy for repayment of any Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property for more than forty (40) years after the year of the initial imposition of such mill levy (the "Maximum Debt Mill Levy Imposition Term"). Any amount of principal and/or accrued interest that remains unpaid upon the expiration of the Maximum Debt Mill Levy Imposition Term shall be deemed to be forever discharged (the "Termination Date") regardless of the amount of principal and interest paid prior to the Termination Date.

6. Debt Repayment Sources. The District may impose a mill levy on Property within its boundaries as a primary source of revenue for repayment of debt service. The District may also rely upon various other revenue sources authorized by law. At the District's 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 District exceed the Maximum Debt Mill Levy or be imposed for longer than the Maximum Debt Mill Levy Imposition Term.

7. Debt Instrument Disclosure Requirement. In the text of each Bond and any other instrument representing and constituting Debt, the District 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 District.

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

9. TABOR Compliance. The District will comply with the provisions of TABOR. In the discretion of the Board, the District 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 District will remain under the control of the Board.

10. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's 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 District 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 \$[_____] which is anticipated to be derived from the Operation and Maintenance Mill Levy and other revenues.

It is anticipated that the Developer will advance funds to the District to pay its operating costs until such time as the District have sufficient revenue from its Operation and Maintenance Mill Levy. The District shall be authorized to reimburse the Developer for such advances with interest, provided, however that such interest shall be calculated as simple interest and shall not allow for the accrual of compound interest.

Failure to observe the requirements established in this Article VII. shall constitute a material modification pursuant to Section 32-1-207, C.R.S., and shall entitle the City to all remedies available at law and in equity.

11. Subdistricts. The District may organize subdistricts or areas as allowed by Section 32-1-1101(1)(f), C.R.S., but only with prior approval of the City Council, and any such subdistricts or areas shall be subject to all limitations on debt and other provisions of the Service Plan to the same extent as the District.

ARTICLE VIII: ANNUAL REPORT

1. General. The District shall be responsible for submitting an annual report to the City Clerk and the City Attorney no later than October 1st of each year following the year in which the Order and Decree creating the District has been issued.

2. Standard Reporting Requirements of Significant Events. The annual report shall include information as to any of the following:

- (a) A narrative summary of the progress of the District's implementation of the Service Plan.
- (b) Boundary changes made or proposed to the District's boundary.
- (c) Intergovernmental agreements entered into or terminated with other governmental entities.
- (d) Copies of the District's rules and regulations, if any, adopted by the Board.
- (e) A summary of any litigation which involves the District Public Improvements.
- (f) Status of the District's construction of the Public Improvements.
- (g) A list of all facilities and improvements constructed by the District that have been conveyed or dedicated to the City.
- (h) The final assessed valuation of the District as of December 31 of the reporting year.
- (i) A copy of the current year budget including a description of the Public Improvements to be constructed in such year.
- (j) A copy of the audited financial statements of the District or audit exemption, if applicable.
- (k) Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

- (l) 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.
- (m) Any additional information the District believes important to report.
- (n) Any additional information required by the City Code.

3. Additional Reporting Requirements. The annual report shall also include the following:

- (a) summary of the amount and terms of any new district indebtedness or long-term obligations issued in the report year;
- (b) summary of the amount of payment or retirement of existing indebtedness of the district in the report year;
- (c) the current mill levy of the district pledged to debt retirement in the report year;
- (d) a summary and detailed disclosure of the capital expenditures incurred by the district in development of improvements in the report year;
- (e) [LIST OF ADDITIONAL REQUIREMENTS]

ARTICLE IX: TRANSPARENCY

The District shall be responsible for maintaining a publicly accessible website in compliance with the Special District Act for purposes of further public transparency. The District shall keep the information updated in a timely manner. The District shall update the information in a timely manner.

ARTICLE X: DISSOLUTION

In the event the District has not issued Debt within five (5) years from the date the order and decree organizing the District was recorded in the Boulder County Clerk and Recorder's office, the District shall provide an update to City Council on the status of the District, including the estimated completion of public improvements to serve the District and plans for the issuance of Debt, and upon review, the City Council may either require the District to submit an amendment to the Service Plan to reflect the status of public improvements and issuance of Debt as well as any other revisions determined necessary by the City Council, or the City Council may require the District to initiate dissolution proceedings, as evidenced by a resolution of the City Council. In the absence of approval by the City Council of an amendment to the Service Plan that extends the 5-year debt issuance deadline, the authorized purposes and powers of the District shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the Board and the City Council will be deemed to have agreed to the dissolution

without election pursuant to Section 32-1-704(3)(b), C.R.S., and the District shall thereupon dissolve.

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes, and to in good faith take all actions necessary to accomplish the dissolution. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

ARTICLE XI: REQUIRED DISCLOSURES

The District will use reasonable efforts to assure that all developers of the Property located within the District provide written notice to all purchasers of property in the District, prior to the execution of any contract for the purchase of property in the District, regarding the Maximum Debt Mill Levy, as well as a general description of the District's authority to impose and collect rates, Fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt by the District. The form of notice shall substantially comply with the Model Notice **Exhibit E**. The city manager shall have the sole discretion to determine whether the form of notice substantially complies with the form and content of the model notice. Any public disclosures, to purchasers or otherwise, shall comply with state law as currently in effect or as hereafter amended.

ARTICLE XII: INTERGOVERNMENTAL AGREEMENT

The form of the Intergovernmental Agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the Intergovernmental Agreement in the form attached as **Exhibit D** at its first Board meeting after its organizational election. The intergovernmental agreement shall be executed by the President of the Board at the first Board meeting after its organizational election and submitted to the City Attorney for review and execution by the City. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment.

ARTICLE XIII: AMENDMENT REQUIREMENT

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in Articles V. or in VII.2.-11. above or requirements set forth in the Intergovernmental Agreement shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law.

Should the District undertake any act which constitutes a material modification to the service plan, the City Council may impose one or more of the following sanctions, as it deems appropriate:

- (a) Exercise any applicable remedy under the Special District Act.
- (b) Withhold the issuance of any permit, authorization, acceptance or other administrative approval or withhold any cooperation necessary for the district's development or construction or operation of improvements or provision of services.
- (c) Exercise any legal remedy under the terms of any intergovernmental agreement under which the District is in default.
- (d) Exercise any other legal remedy, including seeking injunctive relief against the District, to ensure compliance with the provisions of the service plan or applicable law.

All remedies available to the City under this Article XIII shall be cumulative and non-exclusive.

The District shall pay to the City any fees and costs incurred by the City in connection with the enforcement of this Service Plan or the protection of the City's rights hereunder, including reasonable attorneys' fees.

ARTICLE XIV: CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Chapter 8-12, "Metropolitan Districts," B.R.C. 1981, , establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

EXHIBIT A
Legal Descriptions

EXHIBIT B

Boulder Vicinity Map

EXHIBIT C-1

Initial District Boundary Map

EXHIBIT C-2

Inclusion Area Boundary Map

EXHIBIT D

Intergovernmental Agreement between the District and the City

EXHIBIT E

Model Notice

EXHIBIT F
Financial Plan

99636846.v1