

**CONSOLIDATED SERVICE PLAN**  
**FOR**  
**SPRING HILL METROPOLITAN DISTRICT NOS. 1-4**  
**TOWN OF ERIE, COLORADO**

**PREPARED**

**BY**

White Bear Ankele Tanaka & Waldron Attorneys at Law  
2154 E. Commons Ave., Suite 2000  
Centennial, CO 80122

Approved: October 26, 2021

TABLE OF CONTENTS

I. INTRODUCTION ..... 1

    A. Purpose and Intent..... 1

    B. Need for the Districts ..... 1

    C. Objective of the Town ..... 1

II. DEFINITIONS..... 1

III. BOUNDARIES..... 3

IV. PROPOSED LAND USE, POPULATION PROJECTIONS, ASSESSED VALUATION3

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES..... 4

    A. Powers of the Districts and Service Plan Amendment ..... 4

        1. Operations and Maintenance Limitation..... 4

        2. Use of Bond Proceeds and Other Revenues Limitation..... 4

        3. Construction Standards Limitation ..... 4

        4. Debt Limitation..... 5

        5. Boundary Change Limitation..... 5

        6. Total Debt Issuance Limitation..... 5

        7. No Rates, Fees, Charges, Assessments or Exaction ..... 5

        8. Fee Limitation..... 5

        9. Monies from Other Governmental Sources ..... 5

        10. Consolidation Limitation ..... 6

        11. Bankruptcy Limitation ..... 6

        12. Eminent Domain Powers Limitation ..... 6

        13. Subdistricts, 63-20 Corporations ..... 6

        14. Intergovernmental Agreement; Improvement Guaranty..... 6

        15. Service Plan Amendment..... 6

    B. Preliminary Engineering Survey..... 7

VI. FINANCIAL PLAN..... 7

    A. General..... 7

    B. Maximum Voted Interest Rate and Maximum Underwriting Discount ..... 8

    C. No-Default Provisions ..... 8

    D. Eligible Bondholders ..... 8

E.	Maximum Debt Mill Levy .....	8
F.	Maximum Debt Mill Levy Imposition Term.....	9
G.	Debt Repayment Sources.....	9
H.	Security for Debt.....	9
I.	Operating Mill Levy .....	9
VII.	ANNUAL REPORT .....	10
A.	General.....	10
VIII.	DISSOLUTION .....	10
IX.	DISCLOSURE NOTICES .....	11
X.	COMPLIANCE WITH LAWS.....	11
XI.	CONCLUSION.....	11

**LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Initial District Boundaries Legal Description
<b>EXHIBIT B</b>	Erie Vicinity Map
<b>EXHIBIT C</b>	Initial District Boundaries Map
<b>EXHIBIT D</b>	Form of Intergovernmental Agreement between Districts and Erie
<b>EXHIBIT E</b>	Financial Plan
<b>EXHIBIT F</b>	Form of Disclosure

## **I. INTRODUCTION**

A. Purpose and Intent. The Districts are independent units of local government, separate and distinct from the Town. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated constituents and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

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. 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, financing, 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 and at a tax mill levy no higher than the Maximum Debt Mill Levy, or repaid by Fees as limited by Section V.A.6.

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.

Unless the Districts have operational responsibilities for any of the Public Improvements, 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, or upon the occurrence of an event specified in Section 32-1-701(2) or (3), C.R.S.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid 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. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

## **II. DEFINITIONS**

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

Board or Boards: means the Board of Directors of one District, or the boards of directors of all the Districts in the aggregate, as the context may provide.

Board of Trustees: means the Board of Trustees of the Town of Erie, Colorado.

Bond, Bonds or Debt: means any bonds, notes, debentures, certificates, contracts, capital leases or other obligations for the payment of which the Districts have promised to impose an *ad valorem* property tax mill levy or to collect Fee revenue.

District No. 1: means the Spring Hill Metropolitan District No. 1.

District No. 2: means the Spring Hill Metropolitan District No. 2.

District No. 3: means the Spring Hill Metropolitan District No. 3.

District No. 4: means the Spring Hill Metropolitan District No. 4.

District or Districts: means collectively the Spring Hill Metropolitan District Nos. 1-4 or individually any one of the Spring Hill Metropolitan District Nos. 1-4, as the context may provide.

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 Debt 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.

Financial Plan: means the Financial Plan attached hereto as Exhibit E and described in Section VI which describes (a) how the Public Improvements are to be financed; (b) how the Debt is expected to be incurred; and (c) the estimated revenue and expenses.

Initial District Boundaries: means the boundaries of the area described on Exhibit A and depicted on the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as Exhibit C, describing the Initial District Boundaries.

Market Issued Debt: means Debt which is underwritten by an underwriter or investment banker listed in the Bond Buyer's Municipal Market Place (also known as the Redbook).

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.E.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy as set forth in Section VI.F.

Municipal Advisor: means any person (who is not a municipal entity or an employee of a municipal entity) that provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or that

undertakes a solicitation of a municipal entity or obligated person. Said person shall be registered under Section 15B of the Securities Exchange Act of 1934, as amended from time to time.

Official Development Plan: means an Official Development Plan as approved by the Town pursuant to the Town Code.

Privately Placed Debt: means Debt which is sold or placed directly with an investor, without being underwritten by an underwriter or investment banker.

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

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 in Section V that benefit the Service Area and serve the future taxpayers and inhabitants of the Service Area as determined by the Boards of the Districts.

Service Area: means the property within the Initial District Boundaries.

Service Plan: means this service plan for the Districts approved by the Board of Trustees.

Service Plan Amendment: means an amendment to the Service Plan approved by the Board of Trustees 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.

Town: means the Town of Erie, Colorado.

Town Code: means the Erie Municipal Code.

### **III. BOUNDARIES**

The area of the Initial District Boundaries includes approximately 288 acres. A legal description of the Initial District Boundaries is attached hereto as Exhibit A. A map of the Initial District Boundaries is attached hereto as Exhibit C. A vicinity map is attached hereto as Exhibit B.

### **IV. PROPOSED LAND USE, POPULATION PROJECTIONS, ASSESSED VALUATION**

The Initial District Boundaries consists of approximately 288 acres of residential land. The current assessed valuation of the Initial District Boundaries is \$0.00 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 1,864 people.

The Service Area encompasses the collective Districts' boundaries. District Nos. 1-3 will each include residential units and public roads. District No. 4 is intended to operate as an "overlay" metropolitan district that includes all the property within District Nos. 1-3 and the open space property surrounding the residential units.

The Official Development Plan for the property in the Initial District Boundaries has not yet been approved as of the date of this Service 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 related operation and maintenance services, within and 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.

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop, finance, own, operate, and maintain the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the Official Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall be authorized to own, operate and maintain Public Improvements not otherwise required to be dedicated to the Town or other public entity, including, without limitation 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.

2. Use of Bond Proceeds and Other Revenues Limitation. Proceeds from the sale of Debt instruments and other revenues of the Districts may not be used to pay landowners within the Districts for any items required by annexation agreements or land use codes. Examples of ineligible reimbursements include: the acquisition of rights of way, easements, water rights, and land for prudent drainage, parkland or open space. Additionally, if the landowner/developer constructs the Public Improvements and conveys it to the Districts contingent upon a pledge from the Districts that it will issue bonds to pay the landowner/developer, prior to reimbursing the landowner/developer for such amounts, the Districts must receive the report of an independent engineer or accountant confirming that the amount of the reimbursement is reasonable.

3. 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. In all instances, the Districts will comply with applicable Town ordinances, regulations and standards including, without limitation, and to the extent necessary, execution of Public Improvement agreements and provision of Public Improvements and dedication of any of the Public Improvements to the Town. 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. Nothing herein requires the Town to accept the transfer of any Public Improvement.

4. Debt Limitation. Prior to the issuance of any Debt, the District issuing the debt shall obtain the certification of a Municipal Advisor substantially as follows:

We are [I am] a Municipal 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 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.

5. Boundary Change Limitation. The Districts shall not include within or exclude from their boundaries any property without the prior written consent of the Town. Notwithstanding the foregoing, the Districts may include property with at least 30 days prior written notice to the Town and upon petition of the fee owner or owners of 100% of such property as provided in Section 32-1-401(1)(a), C.R.S.

6. Total Debt Issuance Limitation. The Districts shall not issue Debt in an aggregate principal amount in excess of \$60,000,000, provided that the foregoing shall not include the principal amount of Debt which has been refunded by the issuance of refunding Debt. The Debt limitation shall not apply to the District's pledge of its property tax or specific ownership tax revenues derived from its mill levies to one of the other Districts.

7. No Rates, Fees, Charges, Assessments or Exaction. The Districts shall not impose any rate, fee, charge, assessment or exaction and shall not utilize any rate, fee, charge, assessment or exaction imposed by any public or private entity without written consent of the Town or as otherwise expressly authorized herein.

8. Fee Limitation. The Districts may impose fees to cover the costs of the provision of the following services within the Districts: covenant enforcement; design review services; and commercial maintenance services including without limitation landscaping and snow removal.

9. 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 specific ownership taxes which shall be distributed to and be a revenue source for the Districts without any limitation.

10. 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.

11. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, the Maximum Debt Mill Levy Imposition Term 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 § 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 the Town shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

12. Eminent Domain Powers Limitation. The Districts shall provide the Town with written notice prior to its exercise of the power of eminent domain.

13. Subdistricts, 63-20 Corporations. No subdistricts shall be created by the Districts pursuant to Section 32-1-1101(1.5), C.R.S. The Districts shall not create any corporation to issue Bonds on the Districts’ behalf.

14. Intergovernmental Agreement; Improvement Guaranty. The Districts shall not levy any taxes or issue any Debt until they enter into an intergovernmental agreement with the Town regarding the enforcement of the provisions of this Service Plan. The form of the intergovernmental agreement is attached hereto as Exhibit D. The creation of the Districts shall not alter the obligation of the developer of property in the Districts to provide the Town with improvement guarantees pursuant to the Development Agreement entered into between the Town and the developer of property in the Districts.

15. Service Plan Amendment. 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. While the assumptions upon which this Service Plan are generally based are reflective of an Official Development Plan for the property within the Districts, the cost estimates and Financing Plan are sufficiently flexible to

enable the Districts to provide necessary services and facilities without the need to amend this Service Plan as development plans change. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current Official Development Plans for the property. Actions of the Districts which violate the limitations set forth in Sections V.A.1-14 or in Section VI 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.

B. Preliminary Engineering Survey.

The Districts 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 Districts, to be more specifically defined in the Official 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 of the property in the Service Area and is approximately \$51,268,275.52.

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 and shall be in accordance with the requirements of the Official Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for issuance of Debt. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates assume construction conforms to applicable local, State and Federal requirements.

VI. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, financing, and 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 the total Debt issuance limitation set forth in Section V.A.5. and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general *ad valorem* taxes to be imposed upon all taxable property of the Districts. Prior to issuing any Debt, the Districts shall deliver to the Town an opinion of nationally

recognized bond counsel (acceptable to the Town Attorney) stating that the Debt satisfies the requirements of the Service Plan.

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. The proposed maximum interest rate on any Debt shall not exceed 18%. The maximum underwriting discount shall not exceed 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.

C. No-Default Provisions.

Debt issued by a District shall be structured so that failure to pay debt service when due shall not of itself constitute an event of default or result in the exercise of remedies. The foregoing shall not be construed to prohibit events of default and remedies for other occurrences including, without limitation, (1) failure to impose or collect the Maximum Debt Mill Levy or such portion thereof as may be pledged thereto, or to apply the same in accordance with the terms of the Debt, (2) failure to abide by other covenants made in connection with such Debt, or (3) filing by a District as a debtor under any bankruptcy or other applicable insolvency laws. Notwithstanding the foregoing, Debt will not be structured with a remedy which requires a District to increase the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term.

D. Eligible Bondholders.

All District Bonds or other Debt instruments, if not rated in one of its four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations, must be issued in minimum denominations of \$500,000. The foregoing shall not prohibit the redemption by the issuing District of such Debt instruments in denominations smaller than \$500,000.

E. Maximum Debt Mill Levy.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the Districts are permitted to impose upon the taxable property in the Districts and shall be fifty-five (55) mills; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt 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.

F. Maximum Debt Mill Levy Imposition Term.

The Districts shall not impose a Debt service mill levy for more than forty (40) years after the year of the initial imposition of such Debt service mill levy unless: (1) a majority of the Board of the District imposing the mill levy are residents of such District, and (2) such Board has voted in favor of issuing Debt with a term which requires or contemplates the imposition of a Debt service mill levy for a longer period of time than the limitation contained herein.

G. Debt Repayment Sources.

The Districts may impose a mill levy on taxable property within their boundaries as a primary source of revenue for repayment of Debt service and for operations and maintenance. The Debt mill levy shall only be used for Debt service on Market Issued Debt or for Privately Placed Debt. It shall never be used to pay debt service on any other obligation. Specifically, Developer advances for capital outlays must be structured as Privately Placed Debt if there is a reasonable expectation that an advance will not be repaid. In no event shall the debt service mill levy in any District exceed the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term.

H. Security for Debt.

No Debt or other financial obligation of any District will constitute a debt or obligation of the Town in any manner. The faith and credit of the Town will not be pledged for the repayment of any Debt or other financial obligation of any District. This will be clearly stated on all offering circulars, prospectuses, or disclosure statements associated with any securities issued by any District. The Districts shall not utilize the Town's name in the name of the Districts.

I. Operating Mill Levy.

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 \$100,000, which is anticipated to be derived from property taxes and other revenues as described in Exhibit E. The maximum mill levy the Districts may impose to fund administration, operations, and maintenance is 15 mills; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt 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.

## **VII. ANNUAL REPORT**

### **A. General**

The Districts shall be responsible for submitting an annual report to the Town no later than August 1 of each year following the year in which the Order and Decree creating the Districts have been issued. The annual report shall include the following information:

1. A narrative summary of the progress of the Districts in implementing its Service Plan;

2. Except when an exemption from audit has been granted for the fiscal year under the Local Government Audit Law, the audited financial statements of the Districts for the fiscal year including a statement of financial condition (i.e. balance sheet) as of December 31 of the fiscal year and the statement of operations (i.e. revenues and expenditures) for the fiscal year; Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal year;

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the fiscal year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the Districts in the fiscal year, the total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year, and the current mill levy of the Districts pledged to debt retirement in the fiscal year;

5. The Districts' budgets for the calendar year in which the annual report is submitted;

6. A summary of residential development which has occurred within the Districts for the fiscal year;

7. A summary of all taxes, fees, charges and assessments imposed by the Districts as of January 1 of the fiscal year; and

8. The name, business address and telephone number of each member of the Boards and their chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards.

## **VIII. DISSOLUTION**

Upon an independent determination of the Board of Trustees that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

**IX. DISCLOSURE NOTICES**

The Districts will use reasonable efforts to assure that all developers of the property located within the Districts provide a written disclosure notice to all initial purchasers of property in the Districts regarding the Maximum Debt Mill Levy as well as a description of the Districts' authority to impose and collect rates, fees, charges or exactions. The form of notice shall be substantially in the form of Exhibit F hereto; provided that such form may be modified by the Districts so long as a new form is submitted to the Town prior to modification. All promotional, marketing, and sales information shall display notice, equal in size and font to all other pertinent information, as to debt, taxes, rates, fees and exactions, and this information shall further be recorded in the real estate records of Weld County.

**X. COMPLIANCE WITH LAWS**

The approval of the Service Plan shall not limit the Town in implementing any growth limitations imposed by the Board of Trustees or the voters. The Districts shall be subject to all of the Town's zoning, subdivision, building code or land use requirements.

**XI. 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.
5. Adequate service is not, and will not be, available to the area through the Town or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the Districts are compatible with the facility and service standards of the Town within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the Town Code.
8. The proposal is in compliance with any duly adopted Town, regional or state long-range water quality management plan for the area.

9. The creation of the Districts is in the best interests of the area proposed to be served.



**EXHIBIT A**

Initial District Boundaries Legal Description

**EXHIBIT B**

Erie Vicinity Map

**EXHIBIT C**

Initial District Boundaries Map

**EXHIBIT D**

Form of Intergovernmental Agreement between Districts and Erie

**EXHIBIT E**

Financial Plan

## **EXHIBIT F**

### Form of Disclosure

Special Taxing District. The property is located within the boundaries of Spring Hill Metropolitan District No. \_\_, a special taxing district (the “District”). The District has issued or expects to issue bonds that are paid by revenues produced from annual tax levies on the taxable property within the District. The buyer should investigate the financing plans of the District, proposed or existing mill levies of the District servicing such indebtedness, and the potential for an increase in such mill levies.