

AMENDED AND RESTATED SERVICE PLAN
FOR
LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT
TOWN OF JOHNSTOWN, COLORADO

Prepared
by

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TABLE OF CONTENTS

I. INTRODUCTION1
A. Intent and Purpose.....1
B. Need for the District.....1
C. Town’s Objective Regarding the District’s Service Plan.1

II. DEFINITIONS.....2

III. BOUNDARIES.....9

IV. PROPOSED LAND USE / POPULATION PROJECTIONS / ASSESSED VALUATION9

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES.....10
A. Powers of the District and Service Plan Amendment.10
1. Operations and Maintenance Limitation.....10
2. Trails and Amenities.11
3. Fire Protection, Ambulance and Emergency Services Limitation.....11
4. Television Relay and Translation Limitation.11
5. Telecommunication Facilities.11
6. Construction Standards Limitation.11
7. Zoning and Land Use Requirements; Sales and Use Tax.....11
8. Growth Limitations.11
9. Conveyance.....11
10. Privately Placed Debt Limitation.....12
11. Inclusion Limitation.....12
12. Overlap Limitation.....12
13. Maximum Debt Authorization.....12
14. Recurring Fee Limitation.....13
15. Monies from Other Governmental Sources.13
16. Consolidation Limitation.13
17. Public Improvement Fee Limitation.13
18. Bankruptcy Limitation.....13
19. Water Rights/Resources Limitation.....14
20. Eminent Domain Limitation.14
21. Covenant Enforcement and Design Review Services.....14
22. Special Improvement District.14
23. Reimbursement Agreement with Adjacent Landowners.14
24. Land Purchase Limitation.15
25. Reimbursement of Public Improvement Related Costs.....15
26. Developer Reimbursement of Administration, Operations and Maintenance Related Costs.....15
27. Board Meetings and Website Limitations.....15
28. Financial Review.15
29. Use of Proceeds and Revenues Limitations.....16
30. Transfer Fee Limitation.16

	31. Miscellaneous Powers.....	16
	32. New Powers.....	16
B.	Service Plan Amendment Requirement.....	16
C.	Capital Plan.....	17
D.	Intergovernmental Agreements.....	17
VI.	FINANCIAL PLAN.....	18
A.	General.....	18
B.	Maximum Voted Interest Rate, Maximum Underwriting Discount, Maximum Interest Rate on Developer Debt.....	19
C.	Mill Levies.....	19
D.	Mill Levy Imposition Term.....	19
E.	Debt Repayment Sources.....	20
F.	Debt Instrument Disclosure Requirement.....	20
G.	Security for Debt.....	20
H.	District’s Operating Costs.....	20
I.	Town Approval of Debt Issuance.....	21
VII.	ANNUAL REPORT.....	21
A.	General.....	21
B.	Reporting of Significant Events.....	21
C.	Summary of Financial Information.....	22
VIII.	DISSOLUTION.....	23
IX.	INTERGOVERNMENTAL AGREEMENT.....	23
X.	NON-COMPLIANCE WITH SERVICE PLAN.....	24
XI.	MISCELLANEOUS.....	24
A.	Headings.....	24
B.	Town Consent.....	24
C.	Town Expenses.....	24
D.	Disclosure Notice.....	24
XII.	CONCLUSION.....	24

LIST OF EXHIBITS

EXHIBIT A	Legal Descriptions
EXHIBIT B	Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT C-3	Proofs of Ownership and Consent of Owners
EXHIBIT D	Intergovernmental Agreement between the District and Johnstown
EXHIBIT E	Capital Plan
EXHIBIT F	Financial Plan
EXHIBIT G	Form of District Disclosure Notice
EXHIBIT H	Indemnification Letters

I. INTRODUCTION

A. Intent and Purpose.

This Amended and Restated Service Plan (the “Service Plan”) amends and restates that certain Service Plan for the Ledge Rock Center Commercial Metropolitan District approved by the Town of Johnstown (the “Town”) on September 8, 2021 by Resolution No. 2021-28 (the “Original Service Plan”). The Town intends that this Service Plan grant authority to the District to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair and replacement of Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The Town and the District acknowledge that the District is an independent unit of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law, this Service Plan or an intergovernmental agreement with the Town, the District’s activities are subject to review by the Town only insofar as the activities may deviate in a material manner from the requirements of the Service Plan. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District will also provide ongoing operations and maintenance services as set forth in this Service Plan and pursuant to an Operations and Maintenance Intergovernmental Agreement.

B. Need for the District.

There are currently no other governmental entities, including the Town, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, and financing of the Public Improvements or the ownership, operation and maintenance by the Town or another entity. Formation of the District is therefore necessary in order for the Public Improvements to be provided in the most economic manner possible.

C. Town’s Objective Regarding the District’s Service Plan.

The Town’s objective in approving the Service Plan is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair and replacement of the Public Improvements from the proceeds of Debt that may be issued by the District and to provide for the ownership, operation or maintenance by the Town or District where appropriate. Debt is expected to be repaid by revenues resulting from a Public Improvement Fee (“CPIF”) and an Add-On Public Improvement Fee (“Add-On PIF”) pursuant to the terms of the Development and Reimbursement Agreement, as well as other legally available revenues of the District as more particularly described herein. It is also anticipated that a portion of the Debt is expected to be repaid by an ad valorem property tax no higher than the Maximum Debt Mill Levy and other legally available revenues of the District as provided herein. Debt issued within these parameters and, as further described in the Financial Plan, is intended to insulate property owners from excessive tax and financial burdens and result in a timely and reasonable repayment. Generally, the cost of Public Improvements that cannot be funded within these parameters and the financing capacity of the District are not costs to be paid by the District.

The Town intends to authorize the District to have the ability to plan, design, acquire, construct, install, relocate, redevelop, finance and repair and replace the initial Public Improvements necessary to develop the Project and seeks the timely payment of Debt related to those initial Public Improvements so that the financial burden on End Users is minimized. The District shall not be entitled to issue any Debt until it has obtained approval of this Service Plan and an intergovernmental agreement between the District and the Town.

The Town prefers that all property classified as “residential” shall be located solely within the boundaries of a residential district and that all property classified as “commercial” shall be located solely within the boundaries of a commercial district. For purposes of this distinction “commercial property” shall mean all property other than “residential real property” as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution. The distinction facilitates two goals: (1) to have similarly situated properties governed by common interests, and (2) to apply a lower maximum tax burden on residential owners. The foregoing shall not prohibit the residential and commercial Districts from sharing the costs of Public Improvements in compliance with the provisions of this Service Plan and applicable law, provided, however that the Town and Districts intend that no PIF Revenue shall be used within residential district(s) and shall be utilized solely within and for the benefit of the commercial district(s). No residential property will be included within the District.

Unless the District has operational responsibilities for any of the Public Improvements or Covenant Enforcement and Design Review Services, the Town intends that the District dissolves upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt and for continuation of any operations. It is currently anticipated that the District will have long-term responsibility for maintaining parking areas, common areas, landscaping and snow removal and maintenance of the Public Improvements owned, operated and maintained by the District.

II. DEFINITIONS

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

Add-on PIF: means the component of the PIF established in the PIF Covenant which will be set at a rate in accordance with the terms and conditions of the Development and Reimbursement Agreement and which will be applied to Taxable Transactions before the calculation of applicable sales taxes.

Add-on PIF Revenues: means the revenues generated from imposition and collection of the Add-on PIF pursuant to the terms of the PIF Covenant.

Add-on PIF Sale(s): means the following transactions which are subject to the Add-on PIF: (i) any exchange of goods or services for money or other media of exchange initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the District which are subject to the Sales Tax; (ii) any additional transactions that the Ledge Rock Center PIC, if organized and operating, or includes within the definition of Add-on PIF Sales in the guidelines established by it from time to time, but not including

(iii) any transactions that the Ledge Rock Center PIC with the approval of the Town Council, expressly excludes from the definition of Add-on PIF Sales in the guidelines established by it for the Add-on PIF from time to time.

Add-on PIF Termination Date: means the later of the date that all Debt, other financial obligations, and operations of the District that are payable from Add-on PIF Revenues have been paid or discharged, or the District and the Town agree in writing to terminate the Add-on PIF. As of the date of this Service Plan, it is expected that the Add-on PIF will exist in perpetuity to provide revenue to fund Public Improvements and operation and maintenance services for the continued vitality of the Service Area and the businesses therein.

Approved Development Plan: means a development plan or other process established by the Town (including but not limited to approval of a preliminary development plan, preliminary or final plat, minor development plat or site plan by the Town Council) for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.

Assessment Ratio Adjustment: means, if, on or after January 1, 2021, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the Maximum Debt Mill Levy and Maximum Operations and Maintenance Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2021, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the Board of Directors of the District.

Bond, Bonds or Debt: means bonds, notes, contracts, reimbursement agreements or other multiple fiscal year financial obligations issued by the District or other obligations for the payment of which the District has pledged or promised to impose an ad valorem property tax mill levy, Credit PIF, Add-On PIF Revenues, or Fee revenues.

Bond Counsel Opinion: means the opinion, to be provided by an attorney licensed in Colorado and published in the then current publication of the Bond Buyer Directory of Municipal Bond Attorneys, providing that the Debt that is the subject of the opinion was issued in accordance with the provisions of the Service Plan.

Capital Plan: means the Capital Plan described in Section V.C. which includes: (a) a list of the Public Improvements which may be developed by the District and as may be modified by an Approved Development Plan; (b) an engineer's estimate of the cost of the Public Improvements; and (c) a pro forma capital expenditure plan correlating expenditures with development.

Commercial District: means any District with solely commercial property within its boundaries. It is anticipated that the Ledge Rock Center Commercial Metropolitan District, and any future inclusion area which has commercial property, will contain the commercial property within the Project.

Commercial Property: means all property other than residential real property as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution.

Cost Verification Report: means the report of an engineer retained by the District, independent of the Developer and licensed in Colorado verifying that, in such engineer's professional opinion, the reimbursement for or payment of the costs of the Public Improvements that are the subject of the reimbursement, payment or acquisition, including the construction costs and the soft costs, but excluding the accounting and legal fees, are, in such engineer's opinion, reasonable and are related to the provision of the Public Improvements or are related to the District's organization; and b) the report of an accountant retained by the District, independent of the Developer and licensed in Colorado verifying that, in such accountant's professional opinion, the reimbursement, or payment of the accounting and legal fees that are the subject of the reimbursement, payment or acquisition, are, in such accountants opinion, reasonable and related to the Public Improvements or the District's organization.

Covenant Enforcement and Design Review Services: means those covenant enforcement and design review services authorized in the Special District Act.

Credit PIF or CPIF: in accordance with the PIF Covenant and the terms of the Development and Reimbursement Agreement, means the component of the PIF that is set at the rate which, when applied to Taxable Transactions occurring during the Credit PIF Period, will result in an offsetting credit against the Sales Tax obligation, as set forth in the Sales Tax Code Amendment.

Credit PIF Period: means the period during which the Sales Tax Credit is in effect as provided in the Sales Tax Code Amendment and as provided in the Development and Reimbursement Agreement.

Credit PIF Revenues: means that portion of the PIF Revenues derived from imposition of the Credit PIF, which revenues are to be received and utilized by the District pursuant to the terms and conditions of the Development and Reimbursement Agreement with the Town and other agreements.

Credit PIF Sale(s): means any exchange of goods or services for money or other media of exchange initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the District which are subject to the Sales Tax.

Credit PIF Termination Date: means the date on which the Credit PIF will terminate as provided in the Development and Reimbursement Agreement.

Debt: See Bond, Bonds or Debt.

Developer: means the owner or owners of the property within the Service Area, any affiliates of such owner or owners and their successors and assigns other than End Users. As of the date of this Service Plan, the Developer is Ledge Rock Center, LLC, and may include their heirs, affiliates, successors and assigns designated by the Developer to the Town from time to time.

Developer Debt: means bonds, notes, contracts, reimbursement agreements or other multiple fiscal year financial obligations issued by the District to the Developer within the District for reimbursement of sums advanced or paid for funding of Public Improvements or operation and maintenances expenses. Developer Debt shall be subordinate to other Debt of the District.

Developer Debt Mill Levy Limitation Term: means the Developer Debt Mill Levy Imposition Term set forth in Section VI.D.1.

Development and Reimbursement Agreement: means that certain Development and Reimbursement Agreement Ledge Rock Center Commercial, Johnstown, Colorado among the Town, Ledge Rock Center Commercial, LLC and the District dated January 3, 2022, as amended from time to time, as to those items which the Developer may be a party, that provides, among other matters, the terms and conditions relating to the collection, payment and use of the CPIF and Add-on PIF, including the amount of the CPIF and Add-on PIF and the amount of Debt that may be paid with such revenue, termination of the CPIF, maximum interest rates on Debt issued to the Developer or other landowners, and limitations on other revenue sources.

District: means Ledge Rock Center Commercial Metropolitan District.

End User: means any owner or occupant of any taxable commercial property within the District after such property has been vertically developed. By way of illustration, a commercial property owner or commercial tenant is an End User. The Developer and any business entity that constructs commercial structures is not an End User.

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.

External Financial Advisor Certification: means the certification required to be provided pursuant to Section V.A.10. below.

Favorable Opinion of Bond Counsel: means, with respect to the provisions of Sections VI.I. and VI.J., below, as applicable, an unqualified written opinion of Bond Counsel to the effect that compliance with such provisions is not then required to permit the issuance by the District of Tax-exempt Debt, and failure to comply with such provisions will not impair the exemption from gross income for purposes of federal income taxation of interest

on any Debt of the District previously issued as federally tax-exempt (or impair such other federal tax advantage in lieu of exemption of interest from gross income as may apply to such Debt). If the Debt to be issued is not intended to be Tax-exempt Debt, then a Favorable Opinion of Bond Counsel is not required.

Fee or Fees: means any fee, rate, toll, penalty, or charge imposed by the District for services, programs or facilities provided or to be provided by the District.

Fee Revenues: means the revenues generated from imposition and collection of Fees.

Financial Plan: means the initial proposed Financial Plan described in Section VI, which describes (i) how the Public Improvements are to be financed; (ii) how Debt may be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year. The District shall not be permitted to issue Bonds which are not in compliance with the bond registration and issuance requirements of Colorado law and which are not in compliance with the terms of the Development and Reimbursement Agreement, this Service Plan and any other agreements between the District and the Town.

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 Initial District Boundaries.

Intergovernmental Agreement: means the Amended and Restated Intergovernmental Agreement required by the Town, a form of which is attached hereto as **Exhibit D** and described in Article IX hereof.

Ledge Rock Center PIC: means a nonprofit Public Improvement Corporation serving Ledge Rock Center that may be organized and operate to impose, collect, and convey to the District the Add-on PIF Revenues or the Credit PIF Revenues pursuant to covenants recorded against property within Ledge Rock Center Commercial District and agreements with the District and Town. The Ledge Rock Center PIC may be the Declarant of such covenants or a beneficiary thereof and may perform other services. Nothing in this Service Plan shall be deemed or construed to require the organization or operation of any Ledge Rock Center PIC.

Map Depicting Public Improvements: means the map attached hereto as **Exhibit E**, showing the initial proposed location(s) of the Public Improvements listed in the Capital Plan. The location and specifications of the Public Improvements may change from time to time without a requirement to amend the Map Depicting the Public Improvements or an amendment to the Service Plan.

Maximum Aggregate Mill Levy. The maximum aggregate mill levy of the District shall be twenty-five (25) mills, inclusive of the mill levy imposed for both repayment of Debt and for administrative operations and maintenance services, and subject to an Assessment Ratio Adjustment.

Maximum Debt Authorization: means the total Debt the District is permitted to incur as set forth in Section V.A.14. below.

Maximum Debt Mill Levy: means the maximum mill levy for the repayment of Debt the Ledge Rock Commercial Metropolitan District is permitted to impose upon taxable property other than “residential real property” as that term is defined in Article X, Section 3(1)(b) of the Colorado Constitution for payment of Debt as set forth in Section VI.C below.

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

Maximum Operations and Maintenance Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Operation and Maintenance Expenses, as set forth in Section VI.C.2. below.

Operations and Maintenance Expenses: means expenses incurred by the District for administration, operations, maintenance and the provision of ongoing services, which will be verified by an accountant retained by the District, independent of the Developer and licensed in Colorado verifying that, in such accountant’s professional opinion, the reimbursement or payment of the expenses that are the subject of the reimbursement or payment are, in such accountants opinion, reasonable and related to the Public Improvements or the administration, operations, maintenance or provision of ongoing services which the District is authorized to provide under this Service Plan.

Operations and Maintenance Intergovernmental Agreement: means an agreement between the Town and the District to be entered into prior to the first issuance of Bonds, and as may be amended from time to time, that defines the duties and obligations of the District to operate, maintain, repair, and replace certain of the Public Improvements, authorizes the District to have access to and perform its duties for the portion of the Public Improvements that are owned by the Town and for which the District is responsible, if any, authorizes the Town to undertake the unfulfilled duties of the District at District expense and provides the Town with access for such undertakings, and confirms the District’s authority to raise revenue to pay for such activities with any revenue available to it except CPIF revenue and compels the District to impose a mill levy to reimburse the Town for any costs incurred in the event the Town undertakes the unfulfilled duties of the District.

Operations and Maintenance Mill Levy: means the mill levy the District is permitted to impose for payment of administrative, operations and maintenance expenses as set forth in Section VI.C.2. below.

PIF Covenant: means that certain Declaration of Covenants Imposing and Implementing the Ledge Rock Center Commercial Public Improvement Fees recorded on _____

in the records of the Weld County Clerk and Recorder, Document No. _____ as amended from time to time with the written consent of the Town.

PIF Revenues: means the revenues derived from the imposition and collection of the Add-on PIF and the Credit PIF

Public Improvement Fee or PIF: means a fee imposed by property owners on retail sales by the PIF Covenant and includes both the Add-on PIF and the Credit PIF.

Privately Placed Debt: means Debt that is issued by the placement of the Debt directly with the Debt purchaser and without the use of an underwriter as a purchaser and reseller of the Debt, and includes, but is not limited to, Developer Debt and bank loans.

Project: means the development or property commonly referred to as the Ledge Rock Center Commercial development.

Proof of Ownership: means a current title commitment or ownership and encumbrance report showing ownership and all encumbrances on all properties within the Initial District Boundaries, or other documentation acceptable to the Town Attorney.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, or developed inside or outside the boundaries of the District and financed as listed on the Capital Plan, attached as **Exhibit E**, and generally described in the Special District Act, or as set forth in an Approved Development Plan or intergovernmental agreement with the Town, to serve the anticipated inhabitants and taxpayers of the Service Area, except as specifically limited in Section V below, and as approved by the Board from time to time.

Recurring Fee(s): means any recurring Fee imposed by the District for administrative, operations and maintenance costs and for services, programs or facilities provided by the District as limited by the provisions of Section V.A.15. below, but in no event to be used for payment of Debt.

Refunding Bonds or Refunding Debt: means Debt issued for purposes of refunding any Bond or Debt.

Sales Tax: means the sales tax imposed by the Town pursuant to the Town Code.

Sales Tax Code Amendment: means the ordinance, resolution, or other action by the Town Council that authorizes the Credit PIF and provides for its collection, payment, and use consistent with the Development and Reimbursement Agreement. The Sales Tax Code Amendment may be in the form of an Ordinance Amending Article IV of Chapter 4 of the Johnstown Municipal Code Concerning Sales Tax Credits.

Sales Tax Credit: means a credit against the Town's Sales Tax.

Service Area: means the property within the Initial District Boundary Map and, if and when included, also within the Inclusion Area Boundary Map.

Service Plan: means this Amended and Restated Service Plan for the District approved by Town Council.

Service Plan Amendment: means an amendment to the Service Plan approved by Town Council in accordance with 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 property taxes imposed by the District.

Taxable Transactions: means sales subject to payment of the Sales Tax.

Total Debt Issuance Limitation: means the amount of Debt authorized by this Service Plan as provided in Section V.A.14.

Town: means the Town of Johnstown, Colorado.

Town Code: means the Town of Johnstown Municipal Code, as may be amended and in effect from time to time.

Town Council: means the governing body of the Town of Johnstown, Colorado.

Transfer Fee: means a fee assessed upon each sale of real property within the District.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately Forty-Six and 646/1000 (46.646) acres, with the Inclusion Area Boundaries totaling approximately Seventy-Nine and 870/1000 (79.870) acres (for a total area of approximately 126.516 acres of property) generally located south of Highway 60/County Road 48 and east of Interstate I-25. Legal descriptions of the District Boundaries are 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**. Proofs of Ownership and consents of the owners to organization of the District for all properties within the initial District Boundaries will be attached hereto as **Exhibit C-3**. The District's boundaries may change from time to time as the District undergoes inclusions and exclusions pursuant to the Special District Act, subject to the limitations set forth in Section V below and as authorized by the Town.

IV. PROPOSED LAND USE / POPULATION PROJECTIONS / ASSESSED VALUATION

The Service Area, upon full build-out and inclusion of all parcels in the Inclusion Area Boundaries, will consist of approximately 126.516 acres of property. The current assessed

valuation of the Service Area is assumed to be \$0 for purposes of this Service Plan and, at build-out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan.

At build-out, the District Boundaries is estimated to contain approximately 770,000 square feet of commercial retail space, with over 2.479 acres of parking areas which will be utilized in conjunction with a potential park and ride up 50,000 square feet of hotel and conference center space.

The Town's approval of this Service Plan does not imply approval of the development of a specific area within the District, nor does it imply approval the total site/floor area of commercial or industrial buildings which may be identified in this Service Plan. Those final areas of commercial retail, and industrial buildings will be based upon one or more Approved Development Plans.

Approval of this Service Plan by the Town in no way releases or relieves the Developer of the Project, or the landowner or any subdivider of any portion 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 Town such financial guarantees as may be required by the Town to ensure the completion of the Public Improvements, or of any other obligations to the Town under the Town Code or any applicable annexation agreement, subdivision agreement, or other agreements affecting the Project property or development thereof.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment. The District shall have the power and authority to provide the Public Improvements and operations and maintenance 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.

1. Operations and Maintenance Limitation. The purpose of the District is to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing and repair and replacement of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District shall only operate and maintain those Public Improvements that are not accepted for ownership, operations and maintenance by the Town or other appropriate entity in a manner consistent with the Approved Development Plan, the Operations and Maintenance Intergovernmental Agreement, other rules and regulations of the Town, and the Town Code.

For any Public Improvement that is not conveyed to the Town or other entity as directed by the Town, the District shall administer, operate, maintain, repair, remove, or replace such Public Improvement in compliance with the applicable standards of the Town and the terms of the Operations and Maintenance Intergovernmental Agreement. The District shall not have the authority to issue any Bonds until the District and the Town have entered into the Operations and Maintenance Intergovernmental Agreement. The District shall hold an election to approve a ballot issue or issues required to commit to the financial obligations in the Operations and Maintenance

Intergovernmental Agreement. Until such time as such ballot issue is approved, the District shall have no authority to incur Debt or certify a mill levy.

2. Trails and Amenities. The District may own, operate, and maintain trails and related amenities within the District. All parks and trails shall be open to the general public, including Town residents who do not reside in the District, free of charge, unless otherwise specified in an intergovernmental agreement with the Town.

3. Fire Protection, Ambulance and Emergency Services 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 Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. The District shall not be authorized to provide for ambulance or emergency medical services unless the provision of such service is approved by the Town in an intergovernmental agreement.

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 Town.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities.

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

7. Zoning and Land Use Requirements; Sales and Use Tax. The District shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

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

9. Conveyance. The District agrees to convey to the Town, at no expense to the Town and upon written notification from the Town, any real property owned by the District that is necessary, in the Town's sole discretion, for any Town capital improvement projects for transportation, utilities or drainage, streets and trails. The District shall, at no expense to the Town

and upon written notification from the Town, transfer to the Town all rights-of-way, fee interests and easements owned by the District that the Town determines are necessary for access to and operation and maintenance of the Public Improvements to be owned, operated and maintained by the Town, consistent with an Approved Development Plan.

10. Privately Placed Debt Limitation. Prior to the issuance of any Privately Placed Debt, including but not limited to any Developer Debt, the District shall obtain the certification of an External Financial Advisor approved by the Town, in the form substantially as follows:

We are [I am] an 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 and all Districts pledging revenue to the repayment of the Debt.

The issuing District shall submit written notice to the Town Manager of the name of the proposed External Financial Advisor prior to the engagement of the External Financial Advisor which shall either be approved or objected to by the Town within twenty (20) days of the submittal of such written notice to the Town Manager. If the Town Manager does not object to such selection within the twenty (20) day period, the Town Manager's approval shall be deemed to have been given to the District retaining the External Financial Advisor named in the written notice.

Within ten (10) days subsequent to the issuance of Privately Placed Debt, the District shall provide the Town with copies of the relevant Debt documents, the External Financial Advisor Certification and the Bond Counsel Opinion addressed to the District and the Town regarding the issuance of the Debt.

11. Inclusion Limitation. Upon petition and written consent of the property owners, and as provided by the Special District Act, the District may include property within the Inclusion Area Boundaries into the District and shall provide written notice to the Town of all such inclusions concurrently therewith. The District shall not include within their boundaries any property outside the Inclusion Area Boundaries without the prior written consent of the Town. The District shall only include within its boundaries property that has been annexed to the Town and no portion of any of the District shall ever consist of property not within the Town's corporate boundaries.

12. Overlap Limitation. The boundaries of the District shall not overlap with any other metropolitan district without the prior written consent of the Town.

13. Maximum Debt Authorization. The District shall not issue Debt in excess of Two Hundred Four Million, Eight Hundred Ninety Four Thousand, and Zero Dollars

(\$204,894,000). Refunded Debt, wherein the initial Debt issuance counted toward the Maximum Debt Authorization shall not count against the Maximum Debt Authorization set forth herein.

14. Recurring Fee Limitation. The District may impose and collect Recurring Fees for administrative, operations and maintenance expenses and for services, programs or facilities furnished by the District. Any Recurring Fees for administrative, operations and maintenance expenses not specifically set forth in the Financial Plan, including a subsequent increase in such Recurring Fees, shall be subject to review and approval by the Town. At the discretion of the Town Manager, Town review and, if appropriate, approval shall be provided by the Town Manager in writing or referred by the Town Manager to Town Council. If the Town does not respond to a request for the imposition of the Recurring Fee or an increase in such Recurring Fee within forty-five (45) days of receipt of a written request from the District, the Town shall be deemed to have approved the ability of the District to impose or increase the Recurring Fee as described in the request. Any Recurring Fees imposed or increased for operation and maintenance expenses without approval as set forth herein shall constitute a material departure from the Service Plan. The revenue from a Recurring Fee shall not be used to pay for Debt.

15. Monies from Other Governmental 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 for which the Town is eligible to apply, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

16. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

17. Public Improvement Fee Limitation. The District shall not collect, receive, spend or pledge to any Debt or use to pay for operations and maintenance services, any fee, assessment, tax or charge which is collected by a retailer in the District on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except pursuant to an intergovernmental agreement with the Town. The District shall have the authority to receive a Credit PIF applied to Taxable Transactions during the Credit PIF Period only pursuant to the terms of the Development and Reimbursement Agreement. The District shall have the authority to receive an Add-on PIF only pursuant to the terms of the Development and Reimbursement Agreement. The Credit PIF and Add-on PIF may be applied by private covenant authorized only pursuant to the terms of the Development and Reimbursement Agreement.

18. Bankruptcy Limitation. It is expressly intended that all of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Developer Debt Mill Levy Imposition Term, the Maximum Mill Levy Imposition Term, and the Recurring Fees, that 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.:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent an amendment to the Service Plan; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

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

19. Water Rights/Resources Limitation. Water to satisfy the needs of the Project shall be dedicated by the Developer to the Town or, in the discretion of Town Council, paid by cash in-lieu of such dedication. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except pursuant to an intergovernmental agreement with the Town. If the District provides a non-potable irrigation system, which would be owned, operated and maintained by the District, the District would be permitted to manage the raw water for the District irrigation water system in the manner set forth in a subsequently executed intergovernmental agreement with the Town.

20. Eminent Domain Limitation. Absent the prior written approval of the Town, the District shall not exercise its statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Service Area. Additional approval from the Town shall not be required prior to the District’s exercise of its statutory power of eminent domain or dominant eminent domain with respect to property within the Service Area. In no event shall the District exercise their statutory power of dominant eminent domain to condemn property owned by the Town.

21. Covenant Enforcement and Design Review Services. The District shall have the power, but not the obligation, to provide Covenant Enforcement and Design Review Services within the District in accordance with the Colorado Statutes as they are amended from time to time. The Town shall not bear any responsibility for Covenant Enforcement and Design Review Services within the boundaries of the District. The Town’s architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the District.

22. Special Improvement District. The District shall not be entitled to create a special improvement district pursuant to Section 32-1-1101.7, C.R.S., unless otherwise provided pursuant to an intergovernmental agreement with the Town.

23. Reimbursement Agreement with Adjacent Landowners. If the District utilizes reimbursement agreements to obtain reimbursements from adjacent landowners for costs of improvements that benefit the third-party landowners, such agreements shall be done in accordance with Town Code. Any and all resulting reimbursements received for such improvement shall be used to re-pay the cost of the Public Improvement that is the subject of the reimbursement agreement or shall be deposited in the District’s debt service fund and used for the

purpose of retiring Debt. The District shall maintain an accurate accounting of the funds received and disbursed pursuant to reimbursement agreements.

24. Land Purchase Limitation. Proceeds from the sale of Debt and other revenue of the District may be used to pay the Developer for the acquisition from the Developer of any real property, easements or other interests not required to be dedicated for public use pursuant to Approved Development Plan(s) or the Town Code or development requirements. Proceeds from the sale of Debt shall not be used to pay: (a) the Developer for any real property conveyed by the Town to the Developer; or (b) property conveyed to the District from the Developer that was conveyed from the Town to the Developer; or (c) property conveyed from the Town to the District.

25. Reimbursement of Public Improvement Related Costs. Prior to the reimbursement to the Developer for costs or payment incurred in the organization of the District or for funds expended on the District's behalf related to the Public Improvements, and prior to the payment by the District of an invoice related to a Public Improvement cost, or for the acquisition of any part of the Public Improvements, the District shall receive a Cost Verification Report. Upon request, the District shall provide the Cost Verification Reports to the Town.

26. Developer Reimbursement of Administration, Operations and Maintenance Related Costs. Prior to the reimbursement to the Developer for costs incurred or for funds expended on behalf of the District related to the administration of the District or the operation and maintenance of the Public Improvements, the District shall receive the report of an accountant retained by the District, who is independent of the Developer and licensed in Colorado, verifying that, in such accountant's professional opinion, the reimbursement of the funds advanced for such administration, operations or maintenance costs, are, in such accountant's opinion, receivable and related to the administration, operations or maintenance of the District or the Public Improvements. Upon request, the District shall provide the report to the Town.

27. Board Meetings and Website Limitations. Once an End User owns property in the Service Area, all of the District's Board meeting(s) shall be conducted within the boundaries of the Town or conducted virtually via internet or telephone platform available for free access by the public. The District shall establish and maintain a public website and shall include the name of the Project or a name that allows property owners and tenants of the District to readily locate the District online and shall also include an updated street map for those properties within the Service Area that have constructed streets that are open for public use. In addition, the District shall timely post a copy of all of the following documents on its public website: (a) each call for nominations, required pursuant to Section 1-13.5-501, C.R.S., (b) the transparency notices provided pursuant to 32-1-809, C.R.S, (c) each recorded declaration of covenants if the District provides Covenant Enforcement and Design Review Services, (d) a copy of this Service Plan and all amendments thereto, (e) all approved budgets, audits, meeting minutes, Board orders and resolutions, (f) any Rules and Regulations adopted by the Board, and (g) all meeting agendas and meeting packets.

28. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the District in the Service Plan in the manner and form provided in Section 32-1-1101.5, C.R.S. As provided in the statute, the Town may conduct the first financial

review in the fifth calendar year after the calendar year in which a special district's ballot issue to incur general obligation indebtedness was approved by its electors. After such fifth calendar year and notwithstanding the provisions of the statute, the Town may conduct the financial review at any time, by providing sixty (60) days written notice to the District, except that the Town may not conduct a financial review within sixty (60) months of the completion of its most recent financial review. The Town's procedures for conducting a financial review under this Paragraph, and the remedies available to the Town as a result of such financial review, shall be identical to those provided for in Section 32-1-1101.5(2), C.R.S. The District shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof.

29. Use of Proceeds and Revenues Limitations. Proceeds from the sale of Debt instruments and other revenue of the District may be used to pay landowners within the District for any real property, easements or other interests not required to be dedicated for public use by the Town Code or development requirements and as further proscribed in the Land Purchase Limitations in Section V.A.24. and for the cost of any capital improvements, costs of issuance of any Debt or other facilities, services and improvements authorized by the Service Plan. The District shall have ability to use CPIF and Add-on PIF revenues or any other revenues of the District to pay debt service, to pay for capital improvements authorized by this Service Plan, and after termination of the Credit PIF, may use Add-on PIF Revenues in addition to other revenues for operation, maintenance, and administrative costs of the District. Additionally, if the Developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive a Cost Verification Report. Upon request, the District shall provide the Cost Verification Report to the Town. The District shall not use Bond proceeds or CPIF or Add-on PIF revenues to fund acquisitions in interest in land that the Town is contributing to the Project.

30. Transfer Fee Limitation. The District shall not be authorized to collect or spend revenue from a transfer fee on the sale of real property within the District, except pursuant to an intergovernmental agreement with the Town.

31. Miscellaneous Powers. The District shall have the power to provide any facility, service, or program allowed by C.R.S. § 32-1-1004(1).

32. New Powers. If, after the Service Plan is approved, the Colorado General Assembly grants new or broader powers for metropolitan districts, to the extent permitted by law, any or all such powers shall be deemed to be a part hereof and available to be exercised by the District only following written approval by the Town, subject to the Town's sole discretion.

B. Service Plan 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 this Service Plan 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 District,

including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.

C. Capital Plan.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing and repair and replacement of the Public Improvements within and without the boundaries of the District to the extent necessary to improve or construct Public Improvements, including adjacent streets, parking lots, parking garages, traffic and safety improvements, park and recreation, television relay and translation, transportation, security services, improvements and services described in C.R.S. 32-10-1004(1), water, sewer, drainage, storm sewer and related utilities or improvements to connect Public Improvements to existing infrastructure, without the boundaries of the District, all to the extent and as more specifically defined in the Special District Act and the Approved Development Plan(s) for the Project. A Capital Plan, attached hereto as Exhibit E, includes: (1) a list of the Public Improvements to be developed by the District, supported by an engineering or architectural survey; (2) a good faith estimate of the cost of the Public Improvements; and (3) a pro forma capital expenditure plan correlating expenditures with development. The Public Improvements described in the Capital Plan may be modified in an Approved Development Plan or an intergovernmental agreement with the Town, and may differ from the Capital Plan without constituting a material modification of this Service Plan. To the extent that the Capital Plan sets forth the timing of the construction of the Public Improvements, such timing may also deviate from the Capital Plan without constituting a material modification of this Service Plan. As shown in the Capital Plan, the estimated cost of the Public Improvements for the Initial District Boundaries (of approximately 46.464 acres) and Inclusion Area Boundaries (of approximately 79.870 acres) is approximately One Hundred Seventy-Three Million, Eight Hundred Twenty Thousand, Eight Hundred Thirty-One Dollars (\$173,820,831). Costs of required Public Improvements that cannot be financed by the District within the parameters of this Service Plan and the financial capability of the District are expected to be financed by the Developer of the Project.

The District shall be permitted to allocate costs between such categories of the Public Improvements as deemed necessary in their discretion.

All of the Public Improvements described herein shall be designed in such a way as to assure that the Public Improvements are constructed in accordance with Town standards and with the requirements of Approved Development Plan(s) related to the Project. 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 District shall continue to develop and refine the Capital Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt. All cost estimates will be adjusted to reflect then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in Exhibit E assume construction to applicable standards and specifications of the Town and state or federal requirements.

D. Intergovernmental Agreements.

The Town anticipates that the District will undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair and replacement of the Public Improvements contemplated herein. All intergovernmental agreements and amendments thereto proposed to be entered into by the District shall be submitted to the Town at least forty-five (45) days prior to their execution by the District, for Town review and approval. Such Town review and approval shall be with reference to whether the intergovernmental agreements are in compliance with this Service Plan, the Intergovernmental Agreement, and the terms of any Approved Development Plan or other instrument related to the Public Improvements. If the Town within such forty-five (45) days submits qualified objections (based on the factors listed above) to the proposed agreement or amendment, then the District shall work with the Town to resolve such objections and obtain Town Manager approval or, at the discretion of the Town Manager, Town Council approval, prior to the District's execution thereof. The Town by a writing signed by the Town Manager may elect to waive such forty-five (45) day period.

VI. FINANCIAL PLAN

A. General. The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair and replacement 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 from revenues derived the CPIF, Add-on PIF, Maximum Debt Mill Levy and other legally available revenues of the District. The District may also rely upon various other revenue sources within the limitations set forth in the Development and Reimbursement Agreement and as authorized by law, such as interest, specific ownership taxes, Fees (other than Recurring Fees, which are prohibited from being used to pay for Debt under this Service Plan), advances from the Developer and grants, subject to the limitations of this Service Plan.

The total Debt that the District shall be permitted to issue shall not exceed the Maximum Debt Authorization of \$204,894,000, which is estimated to be the amount necessary to net approximately \$128,014,188 in proceeds from the public financing package from the CPIF and Add-on PIF and other available District revenues for Public Improvements serving the Service Area, as well as the traditional transactional and financing costs. Debt of the District shall be permitted to be issued on a schedule and in such year or years as the District determines to meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. It is currently estimated that the District will issue Debt in two phases. The first issuance of Bonds is anticipated to be issued in 2022 and the second issuance of Bonds is anticipated to be issued in 2025, or when the development and market is best suited to issue Bonds for the Project. The proposed Maximum Debt Authorization of \$204,894,000 allows for approximately 120% coverage of the estimated financial plan and pro-forma projections to provide an additional contingency for changes in actual construction costs, increases in assessed valuation and unforeseen changes and contingencies.

(1) The Financial Plan, prepared by Piper Sandler & Co., attached hereto as **Exhibit F**, sets forth (i) how the Public Improvements are to be financed; (ii) the proposed Debt with a schedule indicating the years in which the Debt is scheduled to be issued; and (iii) the estimated revenue for payment of annual Debt and Operation and Maintenance Expenses derived

from property taxes and estimated retail sales fees and other legally available revenues of the District. The Maximum Debt Authorization is supported by the Financial Plan.

B. Maximum Voted Interest Rate, Maximum Underwriting Discount, Maximum Interest Rate on Developer Debt. The interest rate on any Debt is limited to the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not to exceed twelve percent (12%). The proposed maximum underwriting discount will be four percent (4%). Debt, when issued, shall comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

The interest rate on Developer Debt shall not exceed the lesser of the current Bond Buyer 20-Bond GO index plus four percent (4%) or eight percent (8%) simple interest. Developer Debt shall be subordinate to other Debt of the District and shall be subject to the debt limitation term provided in Section VI.D below.

C. Mill Levies.

1. Maximum Debt Mill Levy. The Maximum Debt Mill Levy that may be imposed on property within the District shall be twenty-five (25) mills subject to an Assessment Ratio Adjustment. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance 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 and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

2. Operations and Maintenance Mill Levy. The Operations and Maintenance Mill Levy shall be a mill levy the District is permitted to impose for payment of the District's administrative, operations and maintenance costs, which shall include, but not be limited to, the funding of operating reserves and sufficient ending fund balances to assure sufficient cash flow to fund expenses as they come due. Prior to the imposition of a mill levy for payment of Debt, the District may impose a maximum Operations and Maintenance Mill Levy of twenty-five (25) mills. After the imposition of a mill levy for the payment of Debt, the District shall not impose an Operations and Mill Levy that exceeds ten (10) mills, subject to an Assessment Ratio Adjustment, and shall at all times not exceed the maximum mill levy necessary to pay those expenses.

3. Maximum Aggregate Mill Levy. The Maximum Aggregate Mill Levy of the District shall be twenty-five (25) mills, inclusive of both the mill levy for Debt and the Operations and Maintenance Mill Levy, subject to an Assessment Ratio Adjustment.

4. Unless otherwise provided in the Development and Reimbursement Agreement, the imposition of mill levies does not preclude the District from receiving CPIF or Add-on PIF Revenues.

D. Mill Levy Imposition Term.

1. Developer Debt Mill Levy Imposition Term. Developer Debt shall expire and be forgiven twenty (20) years after the date of the initial imposition by the District of an ad valorem property tax to pay any Debt, unless such term is otherwise extended pursuant to an

intergovernmental agreement with the Town. Refunding Bonds that pay off the Developer Debt shall not be subject to this Developer Debt Mill Levy Imposition Term so long as such Refunding Bonds are not owned by the Developer or by a person or party related to the Developer. Developer Debt shall be callable and may be repaid at any time without any prepayment or payment penalty of any kind.

2. Maximum Debt Mill Levy Imposition Term: In addition to the Developer Debt Mill Levy Imposition Term, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed which exceeds forty (40) years after the year of the initial imposition of a mill levy Debt payment unless a refunding of part of all of the Debt will result in a net present value savings as set forth in Section 11-56-101, *et seq*, C.R.S.

E. Debt Repayment Sources. Debt may be repaid from CPIF and Add-on PIF Revenue, Debt mill levy, or any other revenues, gifts, grants, ad valorem taxes, and any source of payment permitted by law and by this Service Plan.

F. 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.

G. Security for Debt.

The District shall not pledge any revenue or property of the Town as security for any District indebtedness set forth in this Service Plan. The Town's approval of this Service Plan shall not be construed as a guarantee by the Town 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 Town in the event of default by the District in the payment of any such obligation.

H. District's Operating Costs.

The estimated cost of engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be Two Hundred Fifty Thousand Dollars (\$250,000), which will be eligible for reimbursement from Debt proceeds as provided in this Service Plan.

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 pursuant to the Operations and Maintenance Intergovernmental Agreement. The first year's operating budget is estimated to be \$75,000 which is anticipated to be derived from property taxes and other revenues.

I. Town Approval of Debt Issuance.

If the District determines to issue any Debt, the District shall submit to the Town, for the Town's reasonable approval: (i) a financial plan which demonstrates the structure of the proposed Debt issuance, including the anticipated use of net proceeds thereof, and the District's plan to repay the same; and (ii) near final Debt issuance documents. The Town shall have thirty (30) days to review and consent to the same. In any event, the District shall not be permitted to issue any Debt unless and until the District receives a written consent signed by the Town Manager with respect to such Debt issuance. The District shall be responsible for payment of the Town consultant and legal and administrative costs associated with the review contemplated herein, and the Town may require a deposit of the estimated costs thereof.

At least ten (10) business days prior to the issuance of Debt, the District shall provide the Town with the marketing documents that have been or will be published, if any. In its discretion, the Town may require additional financial forecasts and feasibility reports to evaluate the Financial Plan for the proposed Debt issuance. Within ten (10) days subsequent to the issuance of Debt, the District shall provide the Town with the Bond Counsel Opinion addressed to the District and the Town as to the compliance of the Bond issuance with the District's Service Plan and copies of the relevant Debt documents.

VII. ANNUAL REPORT

A. General.

The District shall file an annual report with the Town Clerk no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued (the "report year") that complies with Section 32-1-207, C.R.S., as amended.

B. Reporting of Significant Events.

In addition to the information required to be disclosed under Section 32-1-207, C.R.S., the annual report required by this Section VII shall include information as to any of the following events that occurred during the report year:

1. Narrative of the District's progress in implementing the Service Plan and a summary of the development in the Project.
2. Boundary changes made or proposed.
3. Intergovernmental agreements executed.
4. A summary of any litigation involving the District.

5. Proposed plans for the year immediately following the report year.
6. Construction contracts executed and the name of the contractors as well as the principal of each contractor.
7. Status of the District's Public Improvement construction schedule and the Public Improvement schedule for the following five years.
8. Notice of any uncured defaults.
9. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the Town.
10. If requested by the Town, copies of minutes of all meetings of the District's Board of Directors.
11. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel and the date, place and time of the regular meetings of the Board.
12. Certification from the Board that the District is in compliance with all provisions of the Service Plan.
13. Copies of any Agreements with the Developer entered into in the report year.
14. Copies of any Cost Verification Reports provided to the District in the report year.

C. Summary of Financial Information.

In addition to the information required to be disclosed under Section 32-1-207, C.R.S., the annual report shall include a summary of the following information for the report year:

1. Assessed value of Taxable Property within the District's boundaries.
2. Total acreage of property within the District's boundaries.
3. Most recently filed audited financial statements of the District, to the extent audit financial statements are required by state law or most recently filed audit exemption.
4. Annual budget of the District.
5. Resolutions regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.
6. Outstanding Debt (stated separately for each class of Debt).
7. Outstanding Debt service (stated separately for each class of Debt).

8. The District's Credit PIF Revenues, Add-on PIF Revenues, Fee Revenues and property tax revenue.
9. Other revenues of the District.
10. The District's Public Improvements expenditures.
11. The District's other expenditures.
12. The District's inability to pay any financial obligations as they come due.
13. The amount and terms of any new Debt issued.
14. Any Developer Debt.

VIII. DISSOLUTION

Upon a determination of the Town Council that the purposes for which the District was created have been accomplished or as set forth in the Intergovernmental Agreement, the District shall file a petition in the District Court for dissolution, pursuant to the applicable State statutes. Dissolution shall not occur until the District has provided for the payment or discharge of all of its outstanding Debt and other financial obligations as required pursuant to State statutes. Except as otherwise required in the Intergovernmental Agreement or in the Development and Reimbursement Agreement, dissolution shall not be required if the District elects to finance, construct and acquire the parking areas, common areas, and other common areas, facilities and improvements, as such Public Improvements would be owned, operated and maintained by the District or if the District is responsible for ongoing operations and maintenance under this Service Plan or the Operations and Maintenance Intergovernmental Agreement.

IX. INTERGOVERNMENTAL AGREEMENT

The form of Intergovernmental Agreement to be entered into between the Town and the District at the District's first Board meeting to occur after the date of approval of this Service Plan is attached as **Exhibit D**. The District shall submit the executed Intergovernmental Agreement to the Town within ten (10) days of the District's organizational meeting.

In addition to the Intergovernmental Agreement, the District shall enter into the Operations and Maintenance Intergovernmental Agreement and the Development and Reimbursement Agreement. Any intergovernmental agreement proposed regarding the subject matter of this Service Plan shall be subject to review and approval by the Town Council prior to its execution by the District.

The District and the Developer shall also execute indemnification letters in the form attached hereto as **Exhibit H**. The Developer's indemnification letter shall be submitted to the Town as part of this Service Plan. The District shall approve and execute the indemnification letter at its first Board meeting after its organizational election, in the same form as the indemnification letter set forth as **Exhibit H**, and shall deliver an executed original to the Town within ten (10) days of the District's organizational meeting.

X. NON-COMPLIANCE WITH SERVICE PLAN

In the event it is determined that the District has undertaken any act or omission which violates the Service Plan or constitutes a material departure from the Service Plan, the Town may impose any of the sanctions set forth in the Town Code and pursue any sanctions or remedies available under law, including but, not limited to, affirmative relief to require the District to act in accordance with the provisions of this Service Plan.

XI. MISCELLANEOUS

A. Headings. Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Service Plan.

B. Town Consent. Unless otherwise provided herein or provided in an intergovernmental agreement with the Town, references in this Service Plan to Town consent or Town approval shall require prior written approval of the Town. At the Town Manager's discretion, the Town Manager shall decide if (1) he or she can provide the written Town approval, if approval is warranted; (2) the matter should be referred to Town Council for consideration and, if appropriate, approval by resolution; (3) the matter requires consideration for approval in the form of an agreement with the Town; or (4) the matter requires an amendment to the Service Plan.

C. Town Expenses. The District shall pay any and all expenses, including but not limited to professional service fees and attorneys' fees, incurred by the Town in enforcing any provision of the Service Plan.

D. Disclosure Notice. The District's disclosure document required pursuant to Section 32-1-104.8, C.R.S. shall be in substantial conformance with form of such notice set forth in Exhibit G. In addition to the statutory notice, the District shall use reasonable efforts to assure that all End Users receive written notice regarding existing District mill levies, the Maximum Debt Mill Levy, and a general description of the District's authority to impose and collect fees.

XII. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(3), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district;
2. The existing service in the area to be served by the proposed special district is inadequate for present and projected needs;
3. The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries;
4. The area to be included in the proposed special district 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 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 proposed special district are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1);

7. The proposal is in substantial compliance with a master 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 special district is in the best interests of the area proposed to be served;

This Service Plan is submitted to the Town on behalf of the District. The Developer has contracted for the purchase of the real properties within the Initial District Boundaries and the Inclusion Area Boundaries. The District has caused written notice of the Town's hearing on the proposed Service Plan to be duly given to all "interested parties" within the meaning of and at the times required by § 32-1-204, C.R.S., and will or has caused all other required filings to be made and all other applicable procedural requirements to be met. The information contained in this Service Plan is true and correct as of this date.

EXHIBIT A

Legal Descriptions

EXHIBIT B

Johnstown Vicinity Map

EXHIBIT C-1

Initial District Boundary Map

EXHIBIT C-2

Inclusion Area Boundary Map

EXHIBIT C-3

Proofs of Ownership and Consent of Owners

EXHIBIT D

Intergovernmental Agreement between the District and Johnstown

**AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT BETWEEN
THE TOWN OF JOHNSTOWN, COLORADO
AND
LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT**

THIS AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT is made and entered into to be effective as of this ___ day of _____, 2022, by and between the TOWN OF JOHNSTOWN, a home-rule municipal corporation of the State of Colorado (“Town”), and LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT, a quasi-municipal corporations and political subdivision of the State of Colorado (the “District”). The Town and the District are collectively referred to as the “Parties.”

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the Town on September 8, 2021 by Resolution 2021-28, as amended by the Town by the Amended and Restated Service Plan approved by the Town on June 6, 2022 (collectively, the “Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the District; and

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

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

COVENANTS AND AGREEMENTS

1. Operations and Maintenance Limitation. The primary purpose of the District is to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District shall only operate and maintain those Public Improvements that are not accepted for ownership, operations and maintenance by the Town or other appropriate entity in a manner consistent with the Approved Development Plan, the Operations and Maintenance Intergovernmental Agreement, other rules and regulations of the Town and the Town Code.

For any Public Improvement that is not conveyed to the Town or other entity as directed by the Town, the District shall administer, operate, maintain, repair, remove, or replace such Public Improvement in compliance with the applicable standards of the Town and the terms of the Operations and Maintenance Intergovernmental Agreement. The District shall not have the authority to issue any Bonds until the District and the Town have entered into the Operations and Maintenance Intergovernmental Agreement. The District shall hold an election to approve a ballot

issue or issues required to commit to the financial obligations in the Operations and Maintenance Intergovernmental Agreement. Until such time as such ballot issue is approved, the District shall have no authority to incur Debt or certify a mill levy.

2. Trails and Amenities. The District may own, operate, and maintain trails and related amenities within the District. All parks and trails shall be open to the general public, including Town residents who do not reside in the District, free of charge, unless otherwise specified in an intergovernmental agreement with the Town.

3. Fire Protection, Ambulance and Emergency Services 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 Town. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. The District shall not be authorized to provide for ambulance or emergency medical services unless the provision of such service is approved by the Town in an intergovernmental agreement.

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 Town.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities.

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

7. Zoning and Land Use Requirements; Sales and Use Tax. The District shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements. The District shall not exercise any exemption from Town sales or use tax, whether directly or indirectly.

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

9. Conveyance. The District agrees to convey to the Town, at no expense to the Town and upon written notification from the Town, any real property owned by the District that is necessary, in the Town's sole discretion, for any Town capital improvement projects for

transportation, utilities or drainage, streets or trails, unless such conveyance interferes with the public improvements needed for the District or project. The District shall, at no expense to the Town and upon written notification from the Town, transfer to the Town all rights-of-way, fee interests and easements owned by the District that the Town determines are necessary for access to and operation and maintenance of the Public Improvements to be owned, operated and maintained by the Town, consistent with an Approved Development Plan.

10. Privately Placed Debt Limitation. Prior to the issuance of any Privately Placed Debt, including but not limited to any Developer Debt, the District shall obtain the certification of an External Financial Advisor approved by the Town, in the form substantially as follows:

We are [I am] an 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 and all Districts pledging revenue to the repayment of the Debt.

The issuing District shall submit written notice to the Town Manager of the name of the proposed External Financial Advisor prior to the engagement of the External Financial Advisor which shall either be approved or objected to by the Town within twenty (20) days of the submittal of such written notice to the Town Manager. If the Town Manager does not object to such selection within the twenty (20) day period, the Town Manager's approval shall be deemed to have been given to the District retaining the External Financial Advisor named in the written notice.

Within ten (10) days subsequent to the issuance of Privately Placed Debt, the District shall provide the Town with copies of the relevant Debt documents, the External Financial Advisor Certification and the Bond Counsel Opinion addressed to the District and the Town regarding the issuance of the Debt.

11. Inclusion Limitation. Upon petition and written consent of the property owners, and as provided by the Special District Act, the District may include all property with the Inclusion Area Boundaries, and shall provide written notice to the Town of all such inclusions concurrently therewith. The District shall not include within their boundaries any property outside the Inclusion Area Boundaries without the prior written consent of the Town. The District shall only include within its boundaries property that has been annexed to the Town and no portion of any of the District shall ever consist of property not within the Town's corporate boundaries.

12. Overlap Limitation. The boundaries of the District shall not overlap with any other metropolitan district without the prior written consent of the Town.

13. Maximum Debt Authorization. The District shall not issue Debt in excess of Two Hundred Four Million, Eight Hundred Ninety Four Thousand, and Zero Dollars (\$204,894,000). Refunded Debt, wherein the initial Debt issuance counted toward the Maximum Debt Authorization shall not count against the Maximum Debt Authorization set forth herein.

14. Recurring Fee Limitation. The District may impose and collect Recurring Fees for administrative, operations and maintenance expenses and for services, programs or facilities furnished by the District. Any Recurring Fees for administrative, operations and maintenance expenses not specifically set forth in the Financial Plan, including a subsequent increase in such Recurring Fees, shall be subject to review and approval by the Town. At the discretion of the Town Manager, Town review and, if appropriate, approval shall be provided by the Town Manager in writing or referred by the Town Manager to Town Council. If the Town does not respond to a request for the imposition of the Recurring Fee or an increase in such Recurring Fee within forty-five (45) days of receipt of a written request from the District, the Town shall be deemed to have approved the ability of the District to impose or increase the Recurring Fee as described in the request. Any Recurring Fees imposed or increased for operation and maintenance expenses without approval as set forth herein shall constitute a material departure from the Service Plan. The revenue from a Recurring Fee shall not be used to pay for Debt.

15. Monies from Other Governmental 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 for which the Town is eligible to apply, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

16. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town.

17. Public Improvement Fee Limitation. The District shall not collect, receive, spend or pledge to any Debt or use to pay for operations and maintenance services, any fee, assessment, tax or charge which is collected by a retailer in the District on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except pursuant to an intergovernmental agreement with the Town. The District shall have the authority to receive a Credit PIF applied to Taxable Transactions during the Credit PIF Period only pursuant to the terms of the Development and Reimbursement Agreement. The District shall have the authority to receive an Add-on PIF only pursuant to the terms of the Development and Reimbursement Agreement. The Credit PIF and Add-on PIF may be applied by private covenant only pursuant to the terms of the Development and Reimbursement Agreement.

18. Bankruptcy Limitation. It is expressly intended that all of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Developer Debt Mill Levy Imposition Term, the Maximum Mill Levy Imposition Term, and the Recurring Fees, that 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.:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent an amendment to the Service Plan; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

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

19. Water Rights/Resources Limitation. Water to satisfy the needs of the Project shall be dedicated by the Developer to the Town or, in the discretion of Town Council, paid by cash in-lieu of such dedication. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except pursuant to an intergovernmental agreement with the Town. If the District provide a non-potable irrigation system, which would be owned, operated and maintained by the District, the District would be permitted to manage the raw water for the District irrigation water system in the manner set forth in a subsequently executed intergovernmental agreement with the Town.

20. Eminent Domain Limitation. Absent the prior written approval of the Town, the District shall not exercise its statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Service Area. Additional approval from the Town shall not be required prior to the District’s exercise of its statutory power of eminent domain or dominant eminent domain with respect to property within the Service Area. In no event shall the District exercise their statutory power of dominant eminent domain to condemn property owned by the Town.

21. Covenant Enforcement and Design Review Services. The District shall have the power, but not the obligation, to provide Covenant Enforcement and Design Review Services within the District in accordance with the Colorado Statutes as they are amended from time to time. The Town shall not bear any responsibility for Covenant Enforcement and Design Review Services within the boundaries of the District. The Town’s architectural control, design review and other zoning, land use, development, design and other controls are separate requirements that must be met in addition to any similar controls or services undertaken by the District.

22. Special Improvement District. The District shall not be entitled to create a special improvement district pursuant to Section 32-1-1101.7, C.R.S., unless otherwise provided pursuant to an intergovernmental agreement with the Town.

23. Reimbursement Agreement with Adjacent Landowners. If the District utilizes reimbursement agreements to obtain reimbursements from adjacent landowners for costs of improvements that benefit the third-party landowners, such agreements shall be done in accordance with Town Code. Any and all resulting reimbursements received for such

improvement shall be used to re-pay the cost of the Public Improvement that is the subject of the reimbursement agreement or shall be deposited in the District's Debt service fund and used for the purpose of retiring Debt. The District shall maintain an accurate accounting of the funds received and disbursed pursuant to reimbursement agreements.

24. Land Purchase Limitation. Proceeds from the sale of Debt and other revenue of the District may be used to pay the Developer for the acquisition from the Developer of any real property, easements or other interests not required to be dedicated for public use pursuant to Approved Development Plan(s) or the Town Code or development requirements. Proceeds from the sale of Debt shall not be used to pay: (a) the Developer for any real property conveyed by the Town to the Developer; or (b) property conveyed to the District from the Developer that was conveyed from the Town to the Developer; or (c) property conveyed from the Town to the District.

25. Reimbursement or Payment of Public Improvement Related Costs. Prior to the reimbursement to the Developer for costs incurred in the organization of the District, or for funds expended on the District behalf related to the Public Improvements; and prior to the payment by the District of an invoice related to a Public Improvement cost, or for the acquisition of any part of the Public Improvements, the District shall receive a Cost Verification Report. Upon request, the District shall provide the Cost Verification Reports to the Town.

26. Developer Reimbursement of Administration, Operations and Maintenance Related Costs. Prior to the reimbursement to the Developer for costs incurred or for funds expended on behalf of the District related to the administration of the District or the operation and maintenance of the Public Improvements, the District shall receive the report of an accountant retained by the District, who is independent of the Developer and licensed in Colorado, verifying that, in such accountant's professional opinion, the reimbursement of the funds advanced for such administration, operations or maintenance costs, are, in such accountant's opinion, receivable and related to the administration, operations or maintenance of the District or the Public Improvements. Upon request, the District shall provide the report to the Town.

27. Board Meetings and Website Limitations. Once an End User owns property in the Service Area, the District's Board meeting(s) shall be conducted within the boundaries of the Town or conducted virtually via internet or telephone platform available for free access by the public. The District shall establish and maintain a public website and shall include the name of the Project or a name that allows property owners and tenants of the District to readily locate the District online and shall also include an updated street map for those properties within the Service Area that have constructed streets that are open for public use. In addition, the District shall timely post a copy of all of the following documents on its public website: (a) each call for nominations, required pursuant to Section 1-13.5-501, C.R.S., (b) the transparency notices provided pursuant to 32-1-809, C.R.S, (c) each recorded declaration of covenants if the District provides Covenant Enforcement and Design Review Services, (d) a copy of this Service Plan and all amendments thereto, (e) all approved budgets, audits, meeting minutes, Board orders and resolutions, (f) any Rules and Regulations adopted by the Board, and (g) all meeting agendas and meeting packets.

28. Transfer Fee Limitation. The District shall not be authorized to collect or spend revenue from a transfer fee on the sale of real property within the District, except pursuant to an intergovernmental agreement with the Town.

29. Financial Review. The Town shall be permitted to conduct periodic reviews of the financial powers of the District in the Service Plan in the manner and form provided in Section 32-1-1101.5, C.R.S. As provided in the statute, the Town may conduct the first financial review in the fifth calendar year after the calendar year in which a special district's ballot issue to incur general obligation indebtedness was approved by its electors. After such fifth calendar year and notwithstanding the provisions of the statute, the Town may conduct the financial review at any time, by providing sixty (60) days written notice to the District, except that the Town may not conduct a financial review within sixty (60) months of the completion of its most recent financial review. The Town's procedures for conducting a financial review under this Paragraph, and the remedies available to the Town as a result of such financial review, shall be identical to those provided for in Section 32-1-1101.5(2), C.R.S. The District shall be responsible for payment of the Town consultant and legal and administrative costs associated with such review, and the Town may require a deposit of the estimated costs thereof.

30. Use of Proceeds and Revenues Limitations. Proceeds from the sale of Debt instruments and other revenue of the District may be used to pay the Developer within the District for any real property, easements or other interests not required to be dedicated for public use by the Town Code or development requirements and as further proscribed in the Land Purchase Limitations in Paragraph 24, and for the cost of any capital improvements, costs of issuance of any Debt or other facilities, services and improvements authorized by the Service Plan. The District shall have ability to use CPIF and Add-on PIF revenues or any other revenues of the District to pay Debt service, to pay for capital improvements authorized by this Service Plan, and after termination of the Credit PIF, may use Add-on PIF Revenues in addition to other revenues for operation, maintenance, and administrative costs of the District. Additionally, if the Developer constructs the public infrastructure and conveys it to the District in return for a reimbursement obligation from the District, prior to making such reimbursement for such amounts, the District must receive a Cost Verification Report.

31. Miscellaneous Powers. The District shall have the power to provide any facility, service, or program allowed by C.R.S. § 32-1-1004(1).

32. New Powers. If, after the Service Plan is approved, the Colorado General Assembly grants new or broader powers for metropolitan districts, to the extent permitted by law, any or all such powers shall be deemed to be a part hereof and available to be exercised by the District only following written approval by the Town, subject to the Town's sole discretion.

33. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in this Service Plan 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 District, including the remedy of enjoining the issuance of additional authorized but unissued debt, until such material modification is remedied.

34. Maximum Debt Mill Levy. The Maximum Debt Mill Levy imposed upon property within the District shall be twenty-five (25) mills subject to an Assessment Ratio Adjustment. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance 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 and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

35. Operations and Maintenance Mill Levy. The Operations and Maintenance Mill Levy shall be a mill levy the District is permitted to impose for payment of the District's administrative, operations and maintenance costs, which shall include, but not be limited to, the funding of operating reserves and sufficient ending fund balances to assure sufficient cash flow to fund expenses as they come due. Prior to the imposition of a mill levy for payment of Debt, the District may impose a maximum Operations and Maintenance Mill Levy of be twenty-five (25) mills. After the imposition of a mill levy for the payment of Debt, the District shall not impose an Operations and Mill Levy that exceeds ten (10) mills, subject to an Assessment Ratio Adjustment, and shall at all times not exceed the maximum mill levy necessary to pay those expenses.

36. Maximum Aggregate Mill Levy. The Maximum Aggregate Mill Levy of the District shall be twenty-five (25) mills, inclusive of the levy for both Debt and the Operations and Maintenance Mill Levy, subject to an Assessment Ratio Adjustment.

37. PIF Revenue. Unless otherwise provided in the Development and Reimbursement Agreement, the imposition of mill levies does not preclude the District from receiving CPIF or Add-on PIF Revenues.

38. Mill Levy Imposition Term.

(a) Developer Debt Mill Levy Imposition Term. Developer Debt shall expire and be forgiven twenty (20) years after the date of the initial imposition by the District of an ad valorem property tax to pay any Debt, unless otherwise provided pursuant to an intergovernmental agreement with the Town. Refunding Bonds that pay off the Developer Debt shall not be subject to this Developer Debt Mill Levy Imposition Term so long as such Refunding Bonds are not owned by the Developer or by a person or party related to the Developer. Developer Debt shall be callable and may be repaid at any time without any prepayment or payment penalty of any kind.

(b) Maximum Debt Mill Levy Imposition Term: In addition to the Developer Debt Mill Levy Imposition Term, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed which exceeds forty (40) years after the year of the initial imposition of a mill levy for Debt payment unless a refunding of a part or all of the Debt will result in a net present value savings as set forth in 11-56-101, *et seq.*, C.R.S.

39. Debt Repayment Sources. Debt may be repaid from CPIF and Add-on PIF Revenue, or any other revenues, gifts, grants, ad valorem taxes, and any source of payment permitted by law and by the Service Plan.

40. Town Approval of Debt Issuance. If the District determines to issue any Debt, the District shall submit to the Town, for the Town's reasonable approval: (i) a financial plan which demonstrates the structure of the proposed Debt issuance, including the anticipated use of net proceeds thereof, and the District's plan to repay the same; and (ii) near final Debt issuance documents. The Town shall have thirty (30) days to review and consent to the same. In any event, the District shall not be permitted to issue any Debt unless and until the District receives a written consent signed by the Town Manager with respect to such Debt issuance. The District shall be responsible for payment of the Town consultant and legal and administrative costs associated with the review contemplated herein, and the Town may require a deposit of the estimated costs thereof.

At least ten (10) business days prior to the issuance of Debt, the District shall provide the Town with the marketing documents that have been or will be published, if any. In its discretion, the Town may require additional financial forecasts and feasibility reports to evaluate the Financial Plan for the proposed Debt issuance. Within ten (10) days subsequent to the issuance of Debt, the District shall provide the Town with the Bond Counsel Opinion addressed to the District and the Town as to the compliance of the Bond issuance with the District's Service Plan and copies of the relevant Debt documents.

41. Dissolution. Upon a determination of the Town Council that the purposes for which the District was created have been accomplished or as set forth in Paragraph 15 above, the District shall file a petition in the District Court for dissolution, pursuant to the applicable State statutes. Except as provided in Paragraph 15 above, dissolution shall not occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes. Except as otherwise required in the Intergovernmental Agreement or in the Development and Reimbursement Agreement, dissolution shall not be required if the District elects to finance, construct and acquire the parking areas, common areas, and other common areas, facilities and improvements, as such Public Improvements would be owned, operated and maintained by the District or if the District is responsible for ongoing operations and maintenance under this Service Plan or the Operations and Maintenance Intergovernmental Agreement.

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

To the Town: Attn: Town Manager
 Town of Johnstown
 450 S. Parish Avenue
 Johnstown, CO 80534
 Phone: (970) 587-4664

To the District: Ledge Rock Center
Commercial Metropolitan District
Attn: District Manager
c/o CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
Phone: (303) 779-5710
Fax: (303) 779-0348
Lisa.Johnson@CLAconnect.com

With a copy to: Spencer Fane LLP
Attn: David S. O'Leary, Esq.
1700 Lincoln, Suite 2000
Denver, CO 80203
Phone: (303) 839-3800
Fax: (303) 839-3838
doleary@spencerfane.com

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

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

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

45. Default/Remedies. Upon the occurrence of any event of breach or default by either Party, the non-defaulting party shall provide written notice to the other Party. The defaulting Party shall immediately proceed to cure or remedy such breach or default, and in any event, such breach or default shall be cured within fifteen (15) days after receipt of the notice. Following the cure period in the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available by law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees, to the extent permitted by law.

46. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado and venue shall be in the County in which the District is located.

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

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

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

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

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

52. Town Consent. Unless otherwise provided herein or provided in an intergovernmental agreement with the Town, references in this Agreement to Town consent or Town approval shall require prior written approval of the Town. At the Town Manager's discretion, the Town Manager shall decide if (1) he or she can provide the written Town approval, if approval is warranted; (2) the matter should be referred to Town Council for consideration and, if appropriate, approval by resolution; (3) the matter requires consideration for approval in the form of an agreement with the Town; or (4) the matter requires an amendment to the Service Plan.

53. No Liability of Town. The Town has no obligation whatsoever to construct any improvements that the District is required to construct, or pay any debt or liability of the District, including any Bonds.

54. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

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

LEDGE ROCK CENTER COMMERCIAL
METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary

TOWN OF JOHNSTOWN, COLORADO

By: _____
Mayor

Attest:

By: _____
Its: _____

EXHIBIT E

Capital Plan

EXHIBIT F

Financial Plan

EXHIBIT G

Form of District Disclosure Notice

SPECIAL DISTRICT PUBLIC DISCLOSURE

Pursuant to § 32-1-104.8 C.R.S.

Name of the District:	Ledge Rock Commercial Metropolitan District ("District")
Contact Information for the District:	c/o CliftonLarsonAllen LLP 8390 East Crescent Pkwy., Suite 300 Greenwood Village, CO 80111 phone 303-779-5710 fax 303-779-0348 carrie.bartow@CLAconnect.com
Powers of the District:	<p>All powers authorized in § 32-1-1004, C.R.S., including, but not limited to, mosquito control, parks or recreational facilities or programs, traffic and safety controls, sanitation services, street improvements, and water services, subject to the limitations contained in the District's Service Plan regarding the exercise of such powers.</p> <p>The District's Service Plan specifically limits the District's authority to exercise the following powers without an intergovernmental agreement with the Town of Johnstown: fire protection, ambulance and emergency services, television relay and translator facilities, telecommunication and solid waste collection, and transportation services.</p>
Service Plan:	The District's Service Plan, which may be amended from time to time, includes a description of the District's powers and authority. A copy of the District's Service Plan is available from the District and from the Division of Local Government.
Financial Powers of the District:	The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections and current taxes are provided annually in the Notice to Electors described § 32-1-809(1), C.R.S., which may be found at the District's office, on the District's web site, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the clerk and recorder of each county in which the special district is located.

District Boundaries:	A map of the District's boundaries is attached hereto as <u>Exhibit A</u> . Please note that the District's boundaries may change from time to time. Please contact the District for the latest information.
District Taxes and Fees:	<p>The District has authority to impose property taxes for the construction, operation, and maintenance of the improvements identified in the Service Plan. The District has the authority to issue debt and, in order to pay debt and for operations and maintenance costs, the District may impose a Debt Mill Levy and an Operations and Maintenance Mill Levy, and collect property taxes on properties within the District. The District may also establish a one-time Development Fee that may be imposed on a per-square foot basis for commercial property, and may impose other fees and charges. The Service Plan establishes a Maximum Debt Mill Levy, and a maximum Operations and Maintenance Mill Levy. The District has the authority to exceed these mill levy caps as provided in the Service Plan. The District's taxes are in addition to other property taxes imposed and collected by other governments such as the Town of Johnstown, Weld County, and other jurisdictions. Below are samples of potential property taxes of the District, based on assumed mill levies. Actual mill levies and property taxes in any year may be higher or lower.</p>

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT PROPERTY TAX ILLUSTRATION

The following is a sample calculation of the property taxes that will be imposed by and paid solely to the District. This calculation does not include the property taxes that will be due and owing to other public taxing entities, such as to the Town of Johnstown, the Weld County Reorganized School District RE-5J or the Thompson School District R2-J and the Thompson Rivers Parks and Recreation District.

Sample Calculation of Property Tax for a Commercial, Office or Industrial Property based on the Commercial Mill Levy Cap:

Assumptions:

Market value of commercial property is \$750,000

Mill levy cap is 25 mills *

Calculation:

$\$750,000 \times .29 = \$217,500$ (Assessed Valuation)

$\$217,500 \times .025$ mills = **\$5,437.50 per year in taxes owed solely to the District**

* Per the Service Plan, the District is entitled to adjust the mill levy cap under certain circumstances, without a corresponding increase in the amount of taxes due and owing. For example, if the assessed valuation ratio for commercial property is reduced below .0715, the District is entitled to increase the mill levy to recover the same amount of taxes that would have been paid based on the assessed valuation ratio on the date of approval of the Service Plan.

EXHIBIT H

Part I – Developer Indemnity Letter

{ date – on or after date of Service Plan approval }

Town of Johnstown
450 S. Parish Avenue
Johnstown, CO 80534

RE: Ledge Rock Center Commercial Metropolitan District

To the Town Council:

This Indemnification Letter (the “Letter”) is delivered by the undersigned (the “Developer”) in connection with the review by the Town of Johnstown (the “Town”) of the Service Plan, including all amendments heretofore or hereafter made thereto (the “Service Plan”) for the Ledge Rock Center Commercial Metropolitan District (the “District”). Developer, for and on behalf of itself and its transferees, successors and assigns, represents, warrants, covenants and agrees to and for the benefit of the Town as follows:

1. Developer hereby waives and releases any present or future claims it might have against the Town or the Town’s elected or appointed officers, employees, agents, contractors or insurers (the “Released Persons”) in any manner related to or connected with the adoption of a Resolution of Approval regarding the Town’s approval of the District’s Service Plan or any action or omission with respect thereto. Developer further hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities costs and expenses (including reasonable attorneys’ fees and expenses and court costs) resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any end user, property owner or other person or third party which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of the Developer or the District, or their agents, in connection with the District, including, without limitation, any actions or omissions of the Developer or District, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith.

2. This Letter has been duly authorized and executed on behalf of Developer.

Very truly yours,

DEVELOPER

By: _____
Title: _____

Part II - District Indemnity Letter

{ date – date of organizational meeting }

Town of Johnstown
450 S. Parish Avenue
Johnstown, CO 80534

RE: Ledge Rock Center Commercial Metropolitan District

To the Town Council:

This Indemnification Letter (the “Letter”) is delivered by Ledge Rock Center Commercial Metropolitan District (the “District”) in order to comply with the Service Plan, including all amendments heretofore or hereafter made thereto (the “Service Plan”) for the District. The District, for and on behalf of itself and its transferees, successors and assigns, covenants and agrees to and for the benefit of the Town as follows:

1. The District hereby waives and releases any present or future claims it might have against the Town or the Town’s elected or appointed officers, employees, agents, contractors or insurers (the “Released Persons”) in any manner related to or connected with the adoption of a Resolution of Approval of the Town of the District’s Service Plan or any action or omission with respect thereto. To the fullest extent permitted by law, the District hereby agrees to indemnify and hold harmless the Released Persons from and against any and all liabilities costs and expenses (including reasonable attorneys’ fees and expenses and court costs) resulting from any and all claims, demands, suits, actions or other proceedings of whatsoever kind or nature made or brought by any end user, property owner or other person which directly or indirectly or purportedly arise out of or are in any manner related to or connected with any of the following: (a) the Service Plan or any document or instrument contained or referred to therein; or (b) the formation of the District; or (c) any actions or omissions of Ledge Rock Center, LLC (the “Developer”), or its agents, in connection with the formation and organization of the District, including, without limitation, any actions or omissions of the District or Developer, or their agents, in relation to any bonds or other financial obligations of the District or any offering documents or other disclosures made in connection therewith, including any claims disputing the validity of the Service Plan and said Resolution of Approval of the Town.

2. It is understood and agreed that neither the District nor the Town waive or intend to waive the monetary limits or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as from time to time amended, or any other defenses, immunities, or limitations of liability otherwise available to the Town, the District, its officers, or its employees by law.

3. This Letter has been duly authorized and executed on behalf of the District.

Very truly yours,

LEDGE ROCK CENTER COMMERCIAL
METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary