SERVICE PLAN
FOR

FUTURE LEGENDS SPORTS PARK METROPOLITAN DISTRICT NOS. 1-2

TOWN OF WINDSOR, COLORADO

Prepared by:

WHITE BEAR ANKELE TANAKA & WALDRON

2154 E. Commons Avenue, Suite 2000

Centennial, CO 80122

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I. INTRODUCTION

A. Purpose and Intent.

The Districts are intended to be independent units of local government, separate and distinct from the Town, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of this Service Plan. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

A multiple district structure is proposed in this Service Plan due to the expected length of buildout for the project and mixed uses, which is projected to occur over a 5 year period. In order to assure delivery of the Public Improvements according to an Approved Development Plan, initial decision making is to be vested in the Project Developer through use of multiple districts. The Districts may provide the Public Improvements and related services through any combination of Districts for the benefit of the property within the Service Area, subject to the limitations of this Service Plan. The Districts will consider from time-to-time whether they are eligible for inactive status under Section 32-1-104, C.R.S., and whether opting into such status will provide a cost savings to the Districts.

The Districts are not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan. This Service Plan has been prepared in accordance with Article 1 of Chapter 19 of the Town Code.

B. Need for the Districts.

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

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

The Town's objective in approving the Service Plan for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation, and redevelopment of the Public Improvements from the proceeds of a Debt Mill Levy to be imposed by the Districts. All Debt is expected to be repaid by taxes imposed and collected by the Districts at a property tax mill levy rate no higher than the limit set forth herein for the Debt Mill Levy and for a duration not to exceed the Maximum Debt Mill Levy Imposition Term, and from other legally available revenues, including, but not limited to, Capital Improvement Fees. Debt that is incurred within these parameters (as further described in the Financial Plan) will insulate property owners and property from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt. Under

no circumstances is the Town agreeing or undertaking to be financially responsible for the Debt or the construction of Public Improvements.

This Service Plan is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with the Project and those regional improvements necessitated by the Project. Ongoing operational and maintenance activities are allowed, but only as specifically addressed in this Service Plan. In no case shall the mill levies imposed by the Districts on any property exceed the Maximum Aggregate Mill Levy.

It is the intent of the Districts to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt. However, if the Districts have authorized operating functions under this Service Plan, or if by agreement with the Town it is desired that the Districts continue to exist, then the Districts shall not dissolve, but shall retain only the power necessary to impose and collect taxes or Fees to pay for costs associated with said operations and maintenance functions and/or to perform agreements with the Town.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy (which shall not exceed the maximum Debt Mill Levy rate, and which shall not exceed the Maximum Debt Mill Levy Imposition Term) and from Capital Improvement Fees and other legally available revenues. It is the intent of this Service Plan to ensure to the extent possible that, as a result of the formation and operation of the Districts, no taxable property bears a tax burden greater than the Maximum Aggregate Mill Levy in amount, even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

II. DEFINITIONS

In this Service Plan, the following terms, which appear in a capitalized format herein, shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Act: means the Special District Act, Article 1 of Title 32 of the Colorado Revised Statutes.

Approved Development Plan: means a master plan, development agreement, or other process established by the Town (including, but not limited to, approval of a final plat or PUD by the Town Board, subdivision improvement agreement, or issuance of a building permit) for identifying and authorizing, among other things, Public Improvements necessary for facilitating development of property within the Service Area as approved by the Town pursuant to the Town Code and as amended pursuant to the Town Code from time to time.

Board: means the Board of Directors of a District.

Capital Improvement Fee: has the meaning set forth in Section V(A)(10) below.

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

Debt: means bonds, notes, contracts, or other financial obligations for the payment of which the Districts have pledged their general credit, promised to impose an ad valorem property tax mill levy, and/or have pledged District revenues. The terms do not include contracts through which the Districts procure or provide services or tangible personal property without the use of a multiple fiscal year financial obligation.

Debt Mill Levy: means a mill levy imposed for payment of the costs of Public Improvements and incidental capitalized costs, whether such payment is made on a current funding basis or to defray Debt incurred to pay the costs of the Public Improvements. The Debt Mill Levy is further described in Section VI.C. below.

District No. 1: means the Future Legends Sports Park Metropolitan District No. 1.

District No. 2: means the Future Legends Sports Park Metropolitan District No. 2.

Districts: means District No. 1 and District No. 2, collectively.

End User: means any owner, or tenant of any owner, of any taxable property within the Districts held in connection with a business other than real estate development or construction within the Districts. By way of example, commercial property owner, or commercial tenant is an End User. None of the following is an End User: a Project Developer; a business entity that constructs commercial structures within the Project; and a person who has filed (or should, in reasonable prudence, have filed) a conflict of interest disclosure with the Colorado Secretary of State pursuant to Section 24-18-110, C.R.S., on account of his or her business relationship with a Project Developer or other property owner within the District.

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 Districts or the Project Developer.

Fees: means fees, rates, tolls, penalties and charges as authorized by the Special District Act. The imposition and use of Fees is limited by this Service Plan, including as set forth in Section V.(A).(10).

Financial Plan: means the Financial Plan described in Section VI that is prepared by an External Financial Advisor (or a person or firm skilled in the preparation of financial projections for Colorado special districts) in accordance with the requirements of the Town Code. In the event the Financial Plan is not prepared by an External Financial Advisor, the Financial Plan is accompanied by a letter of support from an External Financial Advisor.

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

Initial District Boundary Maps: means the maps attached hereto as **Exhibit C** describing the Districts' boundaries.

Map Depicting Public Improvements: means the map or maps attached hereto as **Exhibit E**, showing the approximate expected location(s) of the Public Improvements listed in the Preliminary Infrastructure Plan.

Maximum Aggregate Mill Levy: means the maximum total combined mill levy the Districts are permitted to impose on property for all purposes. The amount is set forth in Section VI.C. below.

Maximum Debt Authorization: means the total Debt the Districts are permitted to incur as set forth in Section V.A.6.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of the Debt Mill Levy on a particular property for purposes of paying the costs of the Public Improvements (as set forth in Section VI.D below).

Operations and Maintenance Mill Levy: means a mill levy the Districts are permitted to impose on property for payment of general operating expenses, including administration, operations, and maintenance costs. The Operations and Maintenance Mill Levy shall not be levied to pay for Public Improvements or Debt. It is further described in Section VI.C. below.

Preliminary Infrastructure Plan: means the Preliminary Infrastructure Plan described in Section V.B. which includes: (a) a preliminary list of the Public Improvements to be developed by the Districts; and (b) an estimate of the cost of the Public Improvements.

Project: means the development or property referred to for land use planning purposes as Future Legends Sports Park.

Project Developer: means a person undertaking the development of the Project and any individual or affiliated entity, such as a parent or subsidiary entity or entity under common control or ownership. The term also includes a master or limited developer and any successor developer. The current Project Developer and proponent of the Districts is Future Legends, LLC.

Project Retail Fee: means a fee imposed by the owner of real property within the Project on retail sales transactions occurring within the Project, through recordation of one or more covenants against such property, which is estimated to be in the amount of 1% (or such other amount as the owner may establish by covenant).

Project Lodging Fee: means a fee imposed by the owner of real property within the Project on lodging transactions occurring within the Project, through recordation of one or more covenants against such property, which is estimated to be in the amount of 3% (or such other amount as the owner my establish by covenant).

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

Service Area: means the property within the Initial District Boundary Map.

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

Service Plan Amendment: means an amendment to the Service Plan approved by the Town Board in accordance with applicable state law.

Service Plan Intergovernmental Agreement: means the intergovernmental agreement entered into by the town and the Districts in substantially the form as attached hereto as **Exhibit G**.

Special District Act: means Article 1 of Title 32 of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

TABOR: means article X, section 20 of the Colorado Constitution.

Town: means the Town of Windsor, Colorado.

Town Board: means the Town Board of the Town of Windsor, Colorado.

Town Code: means the Town of Windsor Code and any regulations, rules, or policies promulgated thereunder, as the same may be amended from time to time.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 100.54 acres. A legal description of the Initial District Boundaries is attached hereto as part of **Exhibit A**. Maps of the Initial District Boundaries are attached hereto as **Exhibit C**. A vicinity map is attached hereto as **Exhibit B**. The Project Developer owns the property within the Initial District Boundaries.

It is anticipated that the Districts' boundaries may change from time to time as inclusions and exclusions occur pursuant to Sections 32-1-401, *et seq.*, C.R.S., and Sections 32-1-501, *et seq.*, C.R.S., subject to the limitations set forth in this Service Plan.

IV. PROPOSED LAND USE AND ASSESSED VALUATION

The Initial District Boundaries consist of approximately 100.54 acres. The Service Area is planned to include commercial development. The current assessed valuation of the Initial District Boundaries is $414,660 for this Service Plan and, at build out, is expected to be approximately $43,652,702, which amount is expected to be sufficient to reasonably discharge

the Debt to be incurred by the Districts. The estimated population within the District Boundaries at build out is expected to be approximately 0 persons.

Approval of this Service Plan by the Town does not imply approval of the Project for development, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings that may be identified in this Service Plan or any of the exhibits attached hereto or any of the Public Improvements, unless the same is contained within an Approved Development Plan.

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

A. Powers of the Districts and Service Plan Amendment.

The Districts shall have the power and authority to acquire, construct and install the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the State Constitution, subject to the limitations set forth herein.

If, after the Service Plan is approved, the 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 or exercised by the Districts upon execution of a written agreement with the Town Board concerning the exercise of such powers, which agreement shall be approved subject to the Town Board's sole legislative discretion. Execution and performance of such agreement by the Districts shall not constitute a material modification of this Service Plan.

1. Operations and Maintenance Limitation.

The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and applicable provisions of the Town Code. To the extent the Public Improvements are not accepted by the Town or other appropriate jurisdiction, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, provided that any increase in an operations mill levy beyond the limits set forth herein shall be subject to approval by the Town Board.

2. Development Standards.

The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction, as applicable. The Districts directly or indirectly through the developer of the Project will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the Town, the Districts shall be required, in accordance with the Town Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts in connection with a

particular phase. Such development security shall be released when the Districts (or the applicable District furnishing the security) have obtained funds, through bond issuance or otherwise, adequate to insure the construction of the applicable Public Improvements, or when the improvements have been completed and finally accepted.

3. Privately Placed Debt Limitation.

Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of an External Financial Advisor 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 the District for the [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.

4. Inclusion and Exclusion Limitation.

The Districts shall not include within their respective boundaries, any property outside of the Initial District Boundaries without the prior written consent of the Town Board. The boundaries of the Districts may be adjusted within the boundaries of the Service Area by inclusion or exclusion pursuant to the Act, provided that the following materials are furnished to the Town Planning Department: a) written notice of any proposed inclusion or exclusion is provided at the time of publication of notice of the public hearing thereon; b) an engineer's or surveyor's certificate is provided establishing that the resulting boundary adjustment will not result in legal boundaries for any District extending outside of the Service Area; and c) to the extent the resulting boundary adjustment causes the boundaries of the Districts to overlap, that any consent to such overlap required by Section 32-1-107, C.R.S. is furnished. Notwithstanding the preceding text, property may not be included into a District pursuant to Section 32-1-401(2)(a), C.R.S., i.e., all property to be included within a District must be included pursuant to the consent of the fee owner or owners of one hundred percent of the property to be included. Inclusions or exclusions that are not authorized by the preceding text shall require the prior approval of the Town Board, and such approval shall not constitute a material modification of this Service Plan.

5. Initial Debt Limitation.

Prior to the effective date of approval of an Approved Development Plan, the Districts shall not incur any Debt.

6. Maximum Debt Authorization.

The Districts shall not incur Debt in excess of $40,750,000. To the extent the Districts seek to modify the Maximum Debt Authorization, they shall obtain the prior approval of the Town Board. Increases that do not exceed 25% of the amount set forth above and are approved by the Town Board in a written agreement shall not constitute a material modification of this Service Plan. Debt established pursuant to any intergovernmental agreements between the Districts pledging the collection and payment of property taxes and/or Capital Improvement Fees that secures payment of Debt issued by one of the Districts shall not count against the Maximum Debt Authorization limitation.

7. Monies from Other Governmental Sources.

The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities 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 that shall be distributed to and a revenue source for the Districts without any limitation.

8. Consolidation Limitation.

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

9. Eminent Domain Limitation.

The Districts shall not exercise their statutory power of eminent domain, except as may be necessary to construct, install, access, relocate or redevelop the Public Improvements identified in the Preliminary Infrastructure Plan. Any use of eminent domain shall be undertaken strictly in compliance with State law and shall be subject to prior consent of the Town Board.

10. Limitation on Using Fees for Capital Improvements.

The Districts are prohibited from imposing or collecting Fees for purposes of paying for Public Improvements or Debt; provided, however, that the Districts may impose and collect a one-time capital improvement fee as a source of revenue for repayment of Debt and/or costs of Public Improvements in an amount not to exceed $2,500 per dwelling unit (the "Capital Improvement Fee"). The foregoing shall not apply to capital fees imposed on non-residential property within the Districts. No Capital Improvement Fee related to repayment of Debt shall be authorized to be imposed upon or collected from taxable property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said taxable property. The Town undertakes no obligation to inform the Districts as to the status of Certificates of Occupancy or to monitor the collection of Capital Improvement Fees. Notwithstanding any of the foregoing, the restrictions in this paragraph shall not apply to any Fee imposed or collected from taxable property for the purpose of funding administration, operation, and maintenance costs of the Districts.

11. Bankruptcy Limitation.

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

1. shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan amendment; and

2. 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).

12. Pledge in Excess of Maximum Aggregate Mill Levy – Material Modification.

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

13. Covenant Enforcement and Design Review Services Limitation.

The Districts are authorized to transfer responsibility for provision of covenant enforcement services and design review services under a declaration of covenants, conditions, and restrictions ("CCRs") to a not-for-profit entity controlled by End Users. The Districts shall not impose assessments that might otherwise be authorized to be imposed and collected pursuant to a CCRs. The preceding sentence does not limit the Districts' ability to impose Fees to defray the costs of covenant enforcement and design review services. The Districts shall be authorized to contract among themselves to assign responsibility for Covenant Enforcement and Design Review Services to one of the Districts, but any such contract shall be terminable by any District upon reasonable notice to the named enforcing District, and any determinations made by the enforcing District under such contract shall be appealable *de novo* to the Board of Directors of the District in which the property that is the subject of the determination is located. The Board of Directors of the District in which the property is located will then have thirty (30) days to hear the appeal or grant an extension; otherwise, the appeal shall be deemed denied.

14. Restrictions on Developer Reimbursements.

a) In the event the District procures or pays for Public Improvements outside of a public bid process, prior to reimbursement to the Project Developer or payment to a third party on behalf of the Project Developer, a qualified independent third party shall certify to the Districts that the costs of the Public Improvements are reasonable.

b) A qualified independent third party shall certify to the Districts that Public Improvements financed by a District are fit for intended purposes. Note that this certification standard might differ from the certification standards required by the end-owner of such facilities, such as the Town or other special district.

c) In the event a District agrees to reimburse the Project Developer for an advancement of money, property, or services and such agreement does not qualify as Debt as defined in this Service Plan, then the District shall not pay a rate of interest on such advancement that exceeds a rate equal to the prime rate as published in the Wall Street Journal ("WSJ") plus two percent (2%) for the applicable period. In the event the WSJ ceases to publish a prime rate, then the Districts shall substitute a rate from a similar market index. The Districts will from time to time monitor the feasibility of issuing Debt, and if the amount owed under the reimbursement agreement can be satisfied with the proceeds of Debt incurred at a cost materially less than the prime rate plus two percent (2%), then the Districts shall take reasonable steps to incur such Debt and satisfy the reimbursement obligation to the Project Developer. The purpose of this paragraph is to set a readily ascertainable ceiling on the rate of interest a District Board of Directors can agree to pay a Project Developer for advancements that do not qualify as Debt; this paragraph neither prevents the District from issuing Debt at a higher rate of interest than the WSJ prime rate plus two percent (2%) nor does it prevent the District from paying a lower rate of interest on a developer reimbursement agreement.

15. Town Trails.

Trails that are interconnected with a Town or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

16. Overlap of Existing Special Districts.

The proponents of the Districts have reviewed the boundaries of the Service Area to determine whether a District is expected to provide the same service to the same property as an existing special or metropolitan district. To the extent prohibited by Section 32-1-107, C.R.S., the Districts shall not duplicate the services provided by any existing metropolitan or special district in any area of overlap except as may be consented to by such existing district. The Town shall be held harmless if any existing metropolitan or special district refuses to authorize services and from any claims brought by such district for improvements constructed or installed or services provided prior to receiving any required consent.

17. Overlap of Districts.

No property shall be simultaneously included within the boundaries of more than one of the Districts, except as provided in Section V.A.4. above and in the following sentence. To the extent any District overlaps any other District(s), the total mill levy to be imposed by the Districts to property located in two or more of the Districts shall not exceed the Maximum Aggregate Mill Levy, and the property shall not be subject to a Debt Mill Levy for a period which exceeds the Maximum Debt Mill Levy Imposition Term.

18. Location and Extent Limitation.

To the extent a metropolitan district may have any powers pursuant to Section 31-23-209, C.R.S., with respect to the Town, the District hereby waives and shall not exercise any such powers to override or avoid submitting to the jurisdiction of the Town Board or compliance with the Town Code or other regulations.

19. Disclosure.

Contemporaneously with the inclusion of property into a District, the District shall record a disclosure in the form set forth in **Exhibit** H hereto in the appropriate county's real property records.

20. Meetings.

The Districts' annual public hearing regarding the subsequent year's budget, as required pursuant to Section 29-1-108, C.R.S., shall be held within the boundaries of the Districts or the boundaries of the Town, every year in which there is any property within the Districts that is owned by an End User. At least once every two years, such public hearing shall be held after 5:00 p.m., in order to facilitate attendance by property owners with daytime work schedules.

21. Elections.

The Districts shall post a copy of each call for nominations, required pursuant to Section 1-13.5-501, C.R.S., in the designated locations for posting notices of meetings per Section 24-6-402(2)(c), C.R.S., in addition to complying with any other notice requirements of the Special District Act.

22. Service Plan Amendment Requirement.

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

The Districts shall be independent units of local government, separate and distinct from the Town, and their activities are subject to review by the Town only insofar as they may deviate in a material manner from the requirements of the Service Plan. Any action of the Districts that (1) violates the limitations set forth in this Section V.A. or (2) violates the limitations set forth in Section VI below, shall be deemed to be a material modification to this Service Plan unless otherwise agreed by the Town as provided for in Section X of this Service Plan or unless otherwise expressly provided herein. Unless otherwise expressly provided herein, any other departure from the provisions of this Service Plan shall be considered on a case-by-case basis as

to whether such departure is a material modification. Any determination by the Town that a departure is not a material modification shall be conclusive and final and shall bind all residents, property owners and others affected by such departure to the extent permitted by law. Any such determination shall not have a precedential effect on the Town's oversight of other metropolitan districts. Any determinations made by the Town shall be made in the Town's sole legislative discretion.

To the extent permitted by law, the Districts may seek formal approval from the Town Board of modifications to this Service Plan that are not material, but for which the Districts may desire a written amendment and approval by the Town Board. Such approval may be evidenced by any instrument executed by the Town Manager, Town Attorney, or other specially designated representative of the Town Board as to the matters set forth therein and shall be conclusive and final.

B. Preliminary Infrastructure Plan.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. The Preliminary Infrastructure Plan, including: (1) a list of the Public Improvements to be developed by the Districts; and (2) an estimate of the cost of the Public Improvements is attached hereto as **Exhibit D** and is hereby deemed to constitute the preliminary engineering or architectural survey required by Section 32-1-202(2)(c), C.R.S. The Map Depicting Public Improvements is attached hereto as **Exhibit E** and is also available in size and scale approved by the Town Planning Department.

As shown in the Preliminary Infrastructure Plan, the estimated cost of the Public Improvements that may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed by the Districts is approximately $32,559,891. The Districts 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 will be designed in such a way as to assure that the Public Improvements standards will be consistent with, or exceed the standards of, the Town and shall be in accordance with the requirements of the Approved Development Plan. All descriptions of the Public Improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, the Town's requirements, and construction scheduling may require. Upon approval of this Service Plan, the Districts will continue to develop and refine the Preliminary Infrastructure Plan and the Map Depicting Public Improvements, as necessary, and prepare for issuance of Debt or other funding of the Public Improvements. All cost estimates will be inflated to then-current dollars at the time of the issuance of Debt and construction. All construction cost estimates contained in **Exhibit D** assume construction to applicable local, State and Federal requirements. Changes in the Public Improvements, Preliminary Infrastructure Plan, Map Depicting Public Improvements, or costs, shall not constitute material modifications of this Service Plan. Additionally, due to the preliminary nature of the PIP, the Town shall not be

bound by the PIP in reviewing and approving the Approved Development Plan and the Approved Development Plan shall supersede the PIP.

C. Operational Services.

In addition to any operations and maintenance services that the Districts provide under Section V.A.1, the Districts shall be authorized to provide the following ongoing operations and maintenance services:

1. Landscape maintenance and upkeep for common areas and other District owned property within the Districts' boundaries, including, but not limited to, entrance and external streetscapes and the non-potable water system that may be used to irrigate those areas.

2. Maintenance and upkeep for common area fencing and entrance features.

3. District administrative, legal and accounting services.

4. Neighborhood parks and trails.

5. Covenant code enforcement and design review.

6. Solid Waste Management; provided, however, that in approving this Service Plan, the Town is not authorizing the provision of any services in excess of what is already provided by Section 32-1-1006(6), C.R.S.

D. Demonstrated Public Benefit.

The District is anticipated to provide enhancements to the Project and the Town that are above and beyond the requirements of the Town. These enhancements fall into several different categories and are spread between the sports facilities, ball fields, stadium and commercial development. The Town of Windsor desires to see a regional sports facility with ball parks and other amenities for use by residents of the Town and surrounding area.

There will be significant open space and park areas within the development. In the open space, significant landscaping and grass will be installed to add to the usable of the site as a regional recreational destination with year round opportunities for sporting activities.

The development is being designed with sustainable initiatives and elements to enhance the long term viability of the project within the community. The development will be using reclaimed water for some of its irrigation needs. The District will also be extending water and sewer mains throughout the project to support the on-site uses.

VI. FINANCIAL PLAN

A. General.

Embedded in the structure of the Financial Plan is the Town's policy that the costs of Public Improvements are to be paid from taxes and not from Fees (with the exception of the

Capital Improvements Fee). The Financial Plan also assumes revenue from the privately imposed Project Retail Fee and the Project Lodging Fee. Accordingly, the costs of Public Improvements, and Debt incurred to fund the same, may be paid from revenues of the Debt Mill Levy the Capital Improvements Fees, the Project Retail Fee, the Project Lodging Fee, and any other legally available revenues; and, the Districts' administrative, operating and maintenance costs are to be paid from the Operations and Maintenance Mill Levy and Fees. Any ambiguity in this Service Plan is to be resolved consistent with these policies.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from certain revenues and by and through the proceeds of Debt to be incurred by the Districts. The Financial Plan for the Districts shall be to (i) incur no more Debt than the Districts can reasonably pay from revenues derived from the Debt Mill Levy and other legally available revenues and (ii) satisfy all other financial obligations arising out of the Districts' administrative and operations, and maintenance activities.

The total Debt that the Districts shall be permitted to incur shall not exceed the Maximum Debt Authorization; provided, however, that Debt incurred to refund outstanding Debt of the Districts shall not count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense. District Debt shall be permitted to be incurred on a schedule and in such year or years as the issuing District determines shall meet the needs of the Financial Plan referenced above and phased to serve the Project as it occurs. All bonds and other Debt incurred by the Districts may be payable from any and all legally available revenues of the Districts, including but not limited to revenues from the Debt Mill Levy to be imposed upon all taxable property within the Districts and Capital Improvement Fees.

All Debt incurred by the Districts must be incurred in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law. The Maximum Debt Authorization is supported by the Financial Plan prepared by D.A. Davidson & Company, attached hereto as **Exhibit F**. The Project Developer has provided valuation and absorption data it believes to be market based and market comparable. The Financial Plan attached to this Service Plan satisfies the requirements of Section 19-1-20(i) of the Town Code.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is incurred. In the event of a default, the proposed maximum interest rate on any Debt is not permitted to exceed twelve percent (12%). The proposed maximum underwriting discount will be three percent (3%). Debt, when incurred, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Mill Levies.

A District may impose a "Debt Mill Levy" upon taxable property within such District for payment of Public Improvements, including Debt incurred and other obligations incurred to pay the costs of Public Improvements. The Districts are authorized to promise to impose the Debt Mill Levy for a period not to exceed the Maximum Debt Mill Levy Imposition

Term, and revenues derived from the Debt Mill Levy may be pledged to defray Debt. The Debt Mill Levy may not exceed thirty-four (34) mills. However, if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, 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.

An "Operations and Maintenance Mill Levy" may be imposed upon the taxable property within the Districts for payment of administration, operations, and maintenance costs. The Districts are prohibited from imposing an Operations and Maintenance Mill Levy for purposes of generating revenue to fund Public Improvements or for defraying Debt. The Districts are prohibited from promising to impose an Operations and Maintenance Mill Levy, except that the Districts may, to the extent of authorization under TABOR, promise to impose an Operations and Maintenance Mill Levy in connection with a Debt covenant to fund basic District administrative, operations, and maintenance costs. Revenues derived from the Operations and Maintenance Mill Levy may not be pledged. The Operations and Maintenance Mill Levy shall not exceed thirty-nine (39) mills. However, if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, 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.

The Maximum Aggregate Mill Levy shall be the maximum mill levy the District or any combination of Districts is permitted to impose upon taxable property for any purpose, including payment of Debt, capital improvements costs, administration, operations, and maintenance costs. The Maximum Aggregate Mill Levy is thirty-nine (39) mills. However, if, on or after January 1, 2015, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, then the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, 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. By way of example, if a District has imposed a Debt Mill Levy of 30 mills, the maximum Operations and Maintenance Mill Levy that it can simultaneously impose is 9 mills.

D. Maximum Debt Term.

The scheduled final maturity of any Debt or refunding of such Debt shall be limited to thirty (30) years after the date of issuance, unless a majority of the Board of the issuing District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101 *et seq*., C.R.S.

The Districts shall not issue new Debt after December 31, 2040. With the express consent of the Town Board, the issuing District may depart from the Financial Plan by issuing Debt after the twenty-year period in order to provide the services outlined in this Service Plan if development phasing is of a duration that makes it impracticable to issue all Debt within such period.

E. Sources of Funds.

As discussed in more detail above, the Districts may impose mill levies on taxable property within its boundaries as a primary source of revenue for repayment of debt service, capital improvements, administrative expenses and operations, and maintenance, to the extent operations and maintenance functions are specifically addressed in this Service Plan. The Districts may also rely upon various other revenue sources authorized by law, including loans from the Project Developer. At the Districts' discretion, they may assess Fees that are reasonably related to the costs of operating and maintaining District services and facilities. Fees, other than Capital Improvement Fees, shall not be imposed for the purpose of paying for Public Improvements or defraying Debt unless specifically permitted by the Town Board, and any such permission shall not constitute a material modification of this Service Plan. The Districts are permitted to pledge revenues from the Capital Improvements Fee to the payment of Debt.

F. Security for Debt.

The Districts do not have the authority to, and shall not, pledge any revenue or property of the Town as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the Town of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the Districts in the payment of any such obligation or performance of any other obligation. Further, to the extent that any property within the Service Area reverts in ownership to the Town as provided for in that certain "First Amended and Restated Agreement for Cooperative Development and Use of Diamond Valley Property," dated January 28, 2019, between the Town and Colorado National Sports Park, LLC, predecessor to the Developer, the Town shall not be subject to any payment in lieu of tax ("PILOT"), or any other concession or offset, to accommodate the resulting loss in property tax revenue to the Districts.

G. 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 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, the Project Developer.

H. TABOR Compliance.

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

I. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated cost of the Districts' organization and initial operations, are anticipated to be $100,000, which will be eligible for reimbursement from Debt proceeds or other legally available revenues.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be operated and maintained. The first year's operating budget is estimated to be $200,000. Ongoing administration, operations, and maintenance costs may be paid from property taxes and other revenues.

J. Elections.

The Districts will call an election on the questions of organizing the Districts, electing the initial Boards, and setting in place financial authorizations as required by TABOR. The election will be conducted as required by law.

K. Subdistricts.

The Districts may organize subdistricts or areas as authorized by Section 32-1-1101(1)(f), C.R.S., provided, however, that without the specific approval of the Town, any such subdistrict(s) or area(s) shall be subject to all limitations on Debt, taxes, Fees, and other provisions of this Service Plan. Neither the Debt Mill Levy, the Operations and Maintenance Mill Levy, nor any Debt limit shall be increased as a result of creation of a subdistrict. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the Districts shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The Town Board may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of this Service Plan.

L. Special Improvement Districts.

The Districts are not authorized to establish a special improvement district without the prior approval of the Town Board.

M. Restrictions on Districts Controlled by End User Boards.

This Service Plan's limitations on the Debt Mill Levy, the Operations and Maintenance Mill Levy, the limitation on the use of Fees for Public Improvements, and certain other financial limitations are intended to strike a balance between (i) providing adequate project control and revenue to the Project Developer to facilitate desirable development which will result in demonstrated public benefit and (ii) providing adequate safeguards for protection of property owners and taxpayers. When a District Board is composed entirely of End Users, the balance may shift in favor of removing some of the limitations on financial powers. The Town Board may be more inclined to remove financial limitations in scenarios where the District Board wants to add Public Improvements which were not contemplated as part of the Project Developer's master plan for the Project (e.g., 20 years after development a neighborhood wants to renovate and expand the uses of its community center), a District-owned Public Improvement requires significant repairs, maintenance or upgrades and the cost properly rests with the District, or the restructuring of Debt would result in a net present value savings as set forth in Section 11-56-101, *et seq.*, C.R.S. In the event such circumstances are present, the District Board should consider approaching the Town for authorization.

VII. ANNUAL REPORT

A. General. The Districts shall be responsible for submitting an annual report with the Town Clerk not later than September 1st of each year following the year in which the Order and Decree creating the Districts has been issued by the District Court in and for the County of Weld, Colorado. The Town may waive this requirement in its sole discretion.

B. Reporting of Significant Events.

The annual report shall include the following:

1. A narrative summary of the progress of the Districts in implementing the Service Plan for the report year;

2. The audited financial statements of the Districts for the report year, including a statement of financial condition (*i.e.*, balance sheet) as of December 31 of the report year and the statement of operations (*i.e.*, revenues and expenditures) for the report year, or the District's application for exemption from Audit;

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year and the source of funds for the same;

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the

amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations incurred in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1st of the report year and the current mill levy of the Districts pledged to debt retirement in the report year; and

5. Copies of developer Reimbursement Agreements or amendments thereto made in the applicable year.

6. Copies of documentation establishing compliance with Section V.A.14 (Restrictions on Developer Reimbursements).

7. Any other information deemed relevant by the Town Manager.

Districts which are subject to a current resolution of inactive status pursuant to Section 32-1-104, C.R.S., may disregard these annual reporting requirements to the extent the requirements are not applicable.

In the event the annual report is not timely received by the Town Clerk or is not fully responsive, notice of such default may be given to the Board of such District, at its last known address. The failure of the Districts to file the annual report within forty-five (45) days of the mailing of such default notice by the Town Clerk may constitute a material modification, at the discretion of the Town Board.

VIII. DISSOLUTION

Upon a determination of the Town Board that the purposes for which the Districts were created have been accomplished, the Districts agree to file a petition in the District Court in and for the County of Weld, Colorado, for dissolution, in accordance with the provisions of the Special District Act. In no event shall dissolution occur until the Districts have provided for the payment or discharge of all of their outstanding Debt and other financial obligations as required pursuant to State statutes. If the Districts are responsible for ongoing operations and maintenance functions under this Service Plan ("Long Term District Obligations"), the Districts shall not be obligated to dissolve upon any such Town Board determination, subject to the Districts' requirement to obtain the Town's continuing approvals under Section V.A. However, should the Long Term District Obligations be undertaken by the Town or other governmental entity, or should the Districts no longer be obligated to perform the Long Term District Obligations, the Districts agree to commence dissolution proceedings as set forth above.

IX. INTERGOVERNMENTAL AND EXTRATERRITORIAL AGREEMENTS

All intergovernmental agreements must be for purposes, facilities, services or agreements lawfully authorized to be provided by the Districts, pursuant to the State Constitution, Article XIV, Section 18(2)(a) and Sections 29-1-201, *et seq.*, C.R.S. To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision of the Public Improvements identified herein or for other lawful purposes of the Districts. Agreements may also be executed with property owner associations and other service providers. It is expected that the Districts will enter into an Operations Agreement that

will describe the obligation of one of the Districts to furnish operations, coordination of financing, coordination of construction and/or acceptance of improvements, covenant enforcement and design review services, and administrative and statutory compliance functions on behalf of the Districts generally. The Operations Agreement is expected to require funding from the Districts through the imposition of a property tax mill levy not to exceed the Maximum Aggregate Mill Levy. It is also expected that the Districts will enter into agreements among themselves providing for the pledge of revenues to the payment of Debt that is authorized to be incurred by the Districts hereunder.

No later than two weeks after their organizational meetings, the Districts and the Town shall enter into a Service Plan Intergovernmental Agreement in substantially the form attached hereto as **Exhibit F**.

No other agreements are required, or known at the time of formation of the Districts to likely be required, to fulfill the purposes of the Districts. Execution of intergovernmental agreements or agreements for extraterritorial services (e.g. outside of the Service Area) by the Districts that are not described in this Service Plan shall require the prior approval of the Town Manager, which approval shall not constitute a material modification hereof.

X. MATERIAL MODIFICATIONS

Material modifications to this Service Plan may be made only in accordance with Section 32-1-207, C.R.S. No modification shall be required for an action of the Districts that does not materially depart from the provisions of this Service Plan. The Districts may request from the Town Manager (or his or her designee) a determination as to whether the Town believes any particular action constitutes a material departure from the Service Plan, and the Districts may rely on the Town Manager's written determination with respect thereto; provided that the Districts acknowledge that the Town Manager's determination as aforesaid will be binding only upon the Town, and will not be binding upon any other party entitled to enforce the provisions of the Service Plan as provided in Section 32-1-207, C.R.S., except as otherwise expressly provided herein. Such other parties shall be deemed to have constructive notice of the provisions of this Service Plan concerning changes, departures or modifications which may be approved by the Town in procedures described herein and not provided in Section 32-1-207, C.R.S., and, to the extent permitted by law, are deemed to be bound by the terms hereof.

XI. CONCLUSION

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

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

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

C. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries;

D. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

XII. ORDINANCE OF APPROVAL

The Districts agree to incorporate the Town Board's ordinance of approval, including any conditions on any such approval, into the Service Plan presented to the District Court in and for the County of Weld, Colorado.

EXHIBIT A

Legal Descriptions

EXHIBIT B

Vicinity Map

EXHIBIT C

Initial District Boundary Maps

EXHIBIT D

Preliminary Infrastructure Plan

EXHIBIT E

Map Depicting Public Improvements

EXHIBIT F

Financial Plan

EXHIBIT G

Service Plan Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF WINDSOR, COLORADO

AND THE

FUTURE LEGENDS SPORTS PARK METROPOLITAN DISTRICT NOS. 1-2

THIS AGREEMENT is made and entered into as of this ___ day of _____, 20___, by and between the TOWN OF WINDSOR, a home rule municipal corporation of the State of Colorado (the "Town"), and the FUTURE LEGENDS SPORTS PARK METROPOLITAN DISTRICT NOS. 1 - 2, each a quasi-municipal corporation and political subdivision of the State of Colorado (the "Districts"). The Town and the Districts are individually referred to as a "Party" and collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, C.R.S. Section 29-1-203 authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

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

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

WHEREAS, the Parties have determined that any capitalized term not specifically defined in this Agreement shall have that meaning as set forth in the Service Plan; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (the "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:

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and applicable provisions of the Town Code. To the extent the Public Improvements are not accepted by the Town or other appropriate jurisdiction, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, provided that any increase in an operations mill levy beyond the limits set forth herein and the Service Plan shall be subject to approval by the Town Board.

2. Development Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction, as applicable. The Districts directly or indirectly through the Project Developer will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the Town, the Districts shall be required, in accordance with the Town Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts in connection with a particular phase. Such development security shall be released when the Districts (or the applicable District furnishing the security) have obtained funds, through bond issuance or otherwise, adequate to insure the construction of the applicable Public Improvements, or when the improvements have been completed and finally accepted.

3. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of an External Financial Advisor 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 the District for the [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.

4. Inclusion and Exclusion Limitation. The Districts shall not include within their respective boundaries, any property outside of the Initial District Boundaries without the prior written consent of the Town Board. The boundaries of the Districts may be adjusted within the boundaries of the Service Area by inclusion or exclusion pursuant to the Act, provided that the following materials are furnished to the Town Planning Department: a) written notice of any proposed inclusion or exclusion is provided at the time of publication of notice of the public hearing thereon; b) an engineer's or surveyor's certificate is provided establishing that the resulting boundary adjustment will not result in legal boundaries for any District extending outside of the Service Area; and c) to the extent the resulting boundary adjustment causes the boundaries of the District to overlap, that any consent to such overlap required by Section 32-1-107, C.R.S. is furnished. Notwithstanding the preceding text, property may not be

included into a District pursuant to Section 32-1-401(2)(a), C.R.S., i.e., all property to be included within a District must be included pursuant to the consent of the fee owner or owners of one hundred percent of the property to be included. Inclusions or exclusions that are not authorized by the preceding text shall require the prior approval of the Town Board, and such approval shall not constitute a material modification of the Service Plan.

5. Initial Debt Limitation. Prior to the effective date of approval of an Approved Development Plan relating to development within the Service Area, the District shall not incur any Debt.

6. Maximum Debt Authorization. The District shall not incur Debt in excess of $40,750,000. To the extent the Districts seek to modify the Maximum Debt Authorization, they shall obtain the prior approval of the Town Board. Increases that do not exceed 25% of the amount set forth above, and that are approved by the Town Board in a written agreement, shall not constitute a material modification of the Service Plan. Debt established pursuant to any intergovernmental agreements between the Districts pledging the collection and payment of property taxes and/or Capital Improvement Fees that secures payment of Debt issued by one of the Districts shall not count against the Maximum Debt Authorization limitation.

7. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities 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 Districts without any limitation.

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

9. Eminent Domain Limitation. The Districts shall not exercise their statutory power of eminent domain, except as may be necessary to construct, install, access, relocate or redevelop the Public Improvements identified in the Preliminary Infrastructure Plan. Any use of eminent domain shall be undertaken strictly in compliance with State law and shall be subject to prior consent of the Town Board.

10. Limitation on Using Fees for Capital Improvements. The Districts are prohibited from imposing or collecting Fees for purposes of paying for Public Improvements or Debt; provided, however, that the Districts may impose and collect a one-time capital improvement fee as a source of revenue for repayment of Debt and/or costs of Public Improvements in an amount not to exceed $2,500 per dwelling unit (the "Capital Improvement Fee"). The foregoing shall not apply to capital fees imposed on non-residential property within the Districts. No Capital Improvement Fee related to repayment of Debt shall be authorized to be imposed upon or collected from taxable property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said taxable property. The Town undertakes no obligation to inform the Districts as to the status of Certificates of Occupancy or to monitor the collection of Capital Improvement Fees. Notwithstanding any of the foregoing, the restrictions in this paragraph shall not apply to any Fee imposed or collected from taxable

property for the purpose of funding administration, operation, and maintenance costs of the Districts.

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

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

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

12. Pledge in Excess of Maximum Aggregate Mill Levy – Material Modification. Any Debt incurred with a pledge or that results in a pledge that exceeds the Maximum Aggregate Mill Levy shall be deemed a material modification of the Service Plan pursuant to Section 32-1-207, C.R.S., and a breach of this Agreement and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

13. Covenant Enforcement and Design Review Services Limitation. The Districts are authorized to transfer responsibility for provision of covenant enforcement services and design review services under a declaration of covenants, conditions, and restrictions ("CCRs") to a not for profit entity controlled by End Users. The Districts shall not impose assessments that might otherwise be authorized to be imposed and collected pursuant to a CCRs. The preceding sentence does not limit the Districts' ability to impose Fees to defray the costs of covenant enforcement and design review services. The Districts shall be authorized to contract among themselves to assign responsibility for Covenant Enforcement and Design Review Services to one of the Districts, but any such contract shall be terminable by any District upon reasonable notice to the named enforcing District, and any determinations made by the enforcing District under such contract shall be appealable *de novo* to the Board of Directors of the District in which the property that is the subject of the determination is located. The Board of Directors of the District in which the property is located will then have thirty (30) days to hear the appeal or grant an extension; otherwise, the appeal shall be deemed denied.

14. Restrictions on Developer Reimbursements.

a) In the event the District procures or pays for Public Improvements outside of a public bid process, prior to reimbursement to the Project Developer or payment to a third party on behalf of the Project Developer a qualified independent third party shall certify to the Districts that costs of the Public Improvements are reasonable.

b) A qualified independent third party shall certify to the Districts that Public Improvements financed by a District are fit for intended purposes. Note that this certification standard might differ from the certification standards required by the end-owner of such facilities, such as the Town or other special district.

c) In the event a District agrees to reimburse the Project Developer for an advancement of money, property, or services and such agreement does not qualify as Debt as defined in the Service Plan, then the District shall not pay a rate of interest on such advancement that exceeds a rate equal to the prime rate as published in the Wall Street Journal ("WSJ") plus two percent (2%) for the applicable period. In the event the WSJ ceases to publish a prime rate, then the Districts shall substitute a rate from a similar market index. The Districts will from time to time monitor the feasibility of issuing Debt, and if the amount owed under the reimbursement agreement can be satisfied with the proceeds of Debt incurred at a cost materially less than the prime rate plus two percent (2%), then the Districts shall take reasonable steps to incur such Debt and satisfy the reimbursement obligation to the Project Developer. The purpose of this paragraph is to set a readily ascertainable ceiling on the rate of interest a District board of directors can agree to pay a Project Developer for advancements that do not qualify as Debt; this paragraph neither prevents the District from issuing Debt at a higher rate of interest than the WSJ prime rate plus two percent (2%) nor does it prevent the District from paying a lower rate of interest on a developer reimbursement agreement.

15. Town Trails. Trails that are interconnected with a Town or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

16. Overlap of Existing Special Districts. To the extent prohibited by Section 32-1-107, C.R.S., the Districts shall not duplicate the services provided by any existing metropolitan or special district in any area of overlap except as may be consented to by such existing district. The Town shall be held harmless if any existing metropolitan or special district refuses to authorize services and from any claims brought by such district for improvements constructed or installed or services provided prior to receiving any required consent.

17. Overlap of Districts. No property shall be simultaneously included within the boundaries of more than one of the Districts, except as provided in Section V.A.4. above and in the following sentence. To the extent any District overlaps any other District(s), the total mill levy to be imposed by the Districts to property located in two or more of the Districts shall not exceed the Maximum Aggregate Mill Levy, and the property shall not be subject to a Debt Mill Levy for a period which exceeds the Maximum Debt Mill Levy Imposition Term.

18. Location and Extent Limitation. To the extent a metropolitan district may have any powers pursuant to Section 31-23-209, C.R.S., with respect to the Town, the District hereby waives and shall not exercise any such powers to override or avoid submitting to the jurisdiction of the Town Board or compliance with the Town Code or other regulations.

19. Disclosure. Contemporaneously with the inclusion of property into a District, the District shall record a disclosure in the form set forth in **Exhibit H** to the Service Plan in the appropriate county's real property records.

20. Meetings. The Districts' annual public hearing regarding the subsequent year's budget, as required pursuant to Section 29-1-108, C.R.S., shall be held within the boundaries of the Districts or the boundaries of the Town, every year in which there is any property within the Districts that is owned by an End User. At least once every two years, such public hearing shall be held after 5:00 p.m., in order to facilitate attendance by property owners with daytime work schedules.

21. Elections. The Districts shall post a copy of each call for nominations, required pursuant to Section 1-13.5-501, C.R.S., in the designated locations for posting notices of meetings per Section 24-6-402(2)(c), C.R.S., in addition to complying with any other notice requirements of the Special District Act.

22. Financial Plan. The total Debt that the Districts shall be permitted to incur shall not exceed the Maximum Debt Authorization; provided, however, that Debt incurred to refund outstanding Debt of the Districts shall not count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense. District Debt shall be permitted to be incurred on a schedule and in such year or years as the issuing District determines shall meet the needs of the Financial Plan referenced above and phased to serve the Project as it occurs. All bonds and other Debt incurred by the Districts may be payable from any and all legally available revenues of the Districts, including, but not limited to, revenues from the Debt Mill Levy to be imposed upon all taxable property within the Districts and Capital Improvement Fees.

All Debt incurred by the Districts must be incurred in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law. The Maximum Debt Authorization is supported by the Financial Plan prepared by D.A. Davidson & Company, attached to the Service Plan as **Exhibit F**. The Project Developer has provided valuation and absorption data it believes to be market based and market comparable. The Financial Plan attached to the Service Plan satisfies the requirements of Section 19-1-20(i). of the Town Code.

23. Maximum Voted Interest Rate and Maximum Underwriting Discount. The interest rate on any Debt is expected to be the market rate at the time the Debt is incurred. In the event of a default, the proposed maximum interest rate on any Debt is not permitted to exceed twelve percent (12%). The proposed maximum underwriting discount will be three percent (3%). Debt, when incurred, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

24. Maximum Mill Levies. A District may impose a "Debt Mill Levy" upon taxable property within such District for payment of Public Improvements, including Debt incurred and other obligations incurred to pay the costs of Public Improvements. The Districts are authorized to promise to impose the Debt Mill Levy for a period not to exceed the Maximum Debt Mill Levy Imposition Term, and revenues derived from the Debt Mill Levy may be pledged to defray Debt. The Debt Mill Levy may not exceed thirty-four (34) mills. However, if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, 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.

An "Operations and Maintenance Mill Levy" may be imposed upon the taxable property within the Districts for payment of administration, operations, and maintenance costs. The Districts are prohibited from imposing an Operations and Maintenance Mill Levy for purposes of generating revenue to fund Public Improvements or for defraying Debt. The Districts are prohibited from promising to impose an Operations and Maintenance Mill Levy, except that the Districts may, to the extent of authorization under TABOR, promise to impose an Operations and Maintenance Mill Levy in connection with a Debt covenant to fund basic District administrative, operations, and maintenance costs. Revenues derived from the Operations and Maintenance Mill Levy may not be pledged. The Operations and Maintenance Mill Levy shall not exceed thirty-nine (39) mills. However, if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, 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.

The Maximum Aggregate Mill Levy shall be the maximum mill levy the District or any combination of Districts is permitted to impose upon taxable property for any purpose, including payment of Debt, capital improvements costs, administration, operations, and maintenance costs. The Maximum Aggregate Mill Levy is thirty-nine (39) mills. However, if, on or after January 1, 2015, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, then the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, 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. By way of example, if a District has imposed a Debt Mill Levy of 30 mills, the maximum Operations and Maintenance Mill Levy that it can simultaneously impose is 9 mills.

25. Maximum Debt Term. The scheduled final maturity of any Debt or refunding of such Debt shall be limited to thirty (30) years after the date of issuance, unless a majority of the Board of the issuing District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101 *et seq*., C.R.S.

The Districts shall not issue new Debt after December 31, 2040. With the express consent of the Town Board, the issuing District may depart from the Financial Plan by issuing Debt after the twenty-year period in order to provide the services outlined in this Service Plan if development phasing is of a duration that makes it impracticable to issue all Debt within such period.

26. Sources of Funds. As discussed in more detail above, the Districts may impose mill levies on taxable property within its boundaries as a primary source of revenue for repayment of debt service, capital improvements, administrative expenses and operations, and maintenance, to the extent operations and maintenance functions are specifically addressed in the Service Plan. The Districts may also rely upon various other revenue sources authorized by law, including loans from the Project Developer. At the Districts' discretion, they may assess Fees that are reasonably related to the costs of operating and maintaining District services and facilities. Fees, other than Capital Improvement Fees, shall not be imposed for the purpose of paying for Public Improvements or defraying Debt unless specifically permitted by the Town Board, and any such permission shall not constitute a material modification of this Service Plan. The Districts are permitted to pledge revenues from the Capital Improvements Fee to the payment of Debt.

27. Security for Debt. The Districts do not have the authority and shall not pledge any revenue or property of the Town as security for the indebtedness set forth in the Service Plan. Approval of the Service Plan shall not be construed as a guarantee by the Town of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the Districts in the payment of any such obligation or performance of any other obligation. Further, to the extent that any property within the Service Area reverts in ownership to the Town as provided for in that certain "First Amended and Restated Agreement for Cooperative Development and Use of Diamond Valley Property," dated January 28, 2019, between the Town and Colorado National Sports Park, LLC, predecessor to the Developer (the "Development Agreement") or is otherwise conveyed to the Town, the Town shall not be subject to any payment in lieu of tax ("PILOT"), or any other concession or offset, to accommodate the resulting loss in property tax revenue to the Districts. The Districts shall not charge the Town for any fees or costs associated with the property within the Districts, except as set forth in the Development Agreement, as it may be amended by written agreement of the parties thereto, and agree that the Development Agreement sets forth the Town's sole expenses for ongoing operation and maintenance of the property within the Districts.

28. 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 of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in the Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, the Project Developer.

29. Subdistricts. The Districts may organize subdistricts or areas as authorized by Section 32-1-1101(1)(f), C.R.S., provided, however, that without the specific approval of the Town, any such subdistrict(s) or area(s) shall be subject to all limitations on Debt, taxes, Fees, and other provisions of this Service Plan. Neither the Debt Mill Levy, the Operations and Maintenance Mill Levy, nor any Debt limit shall be increased as a result of creation of a subdistrict. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the Districts shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The Town Board may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of this Service Plan.

30. Special Improvement Districts. The Districts are not authorized to establish a special improvement district without the prior approval of the Town Board.

31. Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law, including the Annual Report, 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 Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts	Future Legends Sports Park Metropolitan District Nos. 1 - 2 c/o White Bear Ankele Tanaka & WaldronAttn: William P. Ankele, Jr., Esq. Phone: 303-858-1800 Email: wpankele@wbapc.com
To the Town:	Town of Windsor 301 Walnut Street Windsor, Colorado 80550 Attn: Town Manager

cc: Town Attorney
Phone: (970) 674-2400

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express 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.

32. Miscellaneous.

a) Effective Date. This Agreement shall be in full force and effect and be legally binding upon final approval of the governing bodies of the Parties. No Debt shall be issued by the Districts until after the effective date of this Agreement.

b) Nonassignability. No Party to this Agreement may assign any interest therein to any person without the consent of the other Party hereto at that time, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of each Party hereto.

c) Amendments. This Agreement may be amended from time to time by written amendment, duly authorized and signed by representatives of the Parties hereto.

d) Severability. If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, phase, or other provision shall not affect any of the remaining provisions of this Agreement.

e) Execution of Documents. This Agreement shall be executed in two (2) counterparts, either of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents, and resolutions or ordinances necessary to give effect to the terms of this Agreement.

f) Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

g) Default/Remedies. In the event of a breach or default of this Agreement by any party, the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages.

h) Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for all actions brought hereunder shall be in District Court in and for Weld County.

i) 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.

j) Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

k) No Third Party Beneficiaries. No person or entity who or which is not a party to this Agreement will have any right of action under this Agreement.

l) Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire Agreement between the Parties concerning the subject matter hereof; provided, however, that this Agreement does not modify, affect, or limit the Town's or any other person's right of action to enforce the provisions of the Service Plan separately from this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Town and the Districts as of the date first above written.

TOWN OF WINDSOR, COLORADO

By: _____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

FUTURE LEGENDS SPORTS PARK METROPOLITAN DISTRICT NOS. 1 - 2, each a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

ATTEST:

_____
Secretary

EXHIBIT H

District Disclosure Form

Future Legends Sports Park Metropolitan District Nos. 1- 2

In accordance with Section 32-1-104.8, Colorado Revised Statutes, the Future Legends Sports Park Metropolitan District Nos. 1- 2 (the "Districts") are required to submit a public disclosure to the Weld County Clerk and Recorder for recording along with a map depicting the boundaries of the District, attached hereto as **Exhibit A**.

1. Name of District: Future Legends Sports Park Metropolitan District Nos. 1-2.

2. Powers of the District as authorized by Section 32-1-1004, Colorado Revised Statutes, and the Districts' Service Plan as of the time of this filing: The Districts have the authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in the Service Plan.

3. The Districts' Service Plan, approved on _____, by the Town of Windsor, State of Colorado, which can be amended from time to time, includes a description of the Districts' powers and authority. A copy of the Districts' Service Plan is available from the Division of Local Government.

4. Future Legends Sports Park Metropolitan District Nos. 1-2 are 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. The maximum debt service mill levy authorized under the Districts' Service Plan is 34 mills. The maximum operations and maintenance mill levy authorized under the Districts' service plan is 39 mills. Voter approval for the imposition of these taxes under section 20 of article X of the Colorado Constitution has been obtained. Information concerning directors, management, meetings, elections and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on the Districts' website, 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.