

9. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City Council.

10. Overlap Limitation. The Districts shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

11. Initial Debt Limitation.

On or before the date on which there is a Land Development Entitlement, the Districts shall not (a) issue any Debt; (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; or (c) impose and collect any Fees used for the purpose of repayment of Debt.

12. Council Debt Authorization Limitation.

The Debt issued by these Districts shall be subject to the approval of the City Council, concurrent with the time of issuance, unless previously authorized under Section V.A.2. If the Debt to be issued was not previously authorized under Section V.A.2, the City Council shall review the proposed Debt instruments to ensure compliance with the Service Plan and all applicable laws.

13. Total Debt Issuance Limitation. Consistent with the information and analysis in Exhibit D, the Districts shall not issue Debt in an aggregate principal amount in excess of \$8,257,000, provided that the foregoing shall not include any increase in the principal amount of previously issued Debt directly associated with its refunding or refinancing.

14. Fee Limitation. The Districts may impose and collect Fees as a source of revenue for repayment of debt, capital costs, and/or for any authorized administrative, operations, or maintenance functions. However, no End User Debt Service Fees shall be imposed by the Districts.

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

16. Sales Tax Limitation. No District will be allowed to impose a sales tax.

17. 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 City.

18. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including but not limited to those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, have been established under the authority of the City to approve

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other applicable insolvency laws. Notwithstanding the foregoing, Debt will not be structured with a remedy which requires the District to increase the Maximum Debt Mill Levy in any District or, in Residential Districts, the Maximum Debt Mill Levy Imposition Term.

F. Eligible Bondholders

~~All District bonds or other debt instruments, if not rated as investment grade, must be issued in minimum denominations of \$100,000 or greater and sold only to: accredited investors (as defined in rule 501(a) promulgated under the Securities Act of 1933), financial institutions or institutional investors (as defined in Section 32-1-103(6.5), C.R.S.), or the developer(s) of property within the District.~~

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G. Maximum Debt Mill Levy

The “Maximum Debt Mill Levy” shall be the maximum mill levy a District is permitted to impose upon the taxable property of the Districts for payment of Debt, and shall be determined as follows:

For all Districts or overlapping Combinations of Districts, the Maximum Debt Mill Levy shall be calculated as follows:

1. The Maximum Debt Mill Levy certified for any District or Combination of Districts shall be limited to no more than 50 mills. This levy may be subject to upward or downward adjustments, addressing any ~~Mill Levy Adjustment tax credit, cut~~ or any abatement occurring after, but not before July 12, 2022.

**Deleted:** constitutionally mandated change in assessment ratios, tax credit, cut,

2. At such time as the Debt to Actual Market Value Ratio within a District is equal to or less than three percent (3%), the Board may request City Council approval for the right to pledge such mill levy as is necessary to pay the Debt service on such Debt, without limitation of rate. At the time of such request, a majority of the members of the Board must consist of Resident Board of Directors Members. Once Debt has been determined to meet the above criterion, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, such District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in such District's Debt to Actual Market Value Ratio.

H. Maximum Operating Mill Levy

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed. Additionally, the Districts may also require ongoing revenues for the maintenance of properties or facilities and, for ongoing services and functions as authorized in Exhibit E. The first year's operating budget is estimated to be \$50,000, which is anticipated to be derived from property taxes and other revenue which may include proceeds from Developer Funding Agreements.