

**SERVICE PLAN FOR**  
**THE BEND @ LAKEWOOD METROPOLITAN DISTRICT**  
**CITY OF LAKEWOOD, COLORADO**

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Submitted; May 24, 2024

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## **I. INTRODUCTION**

### **A. Purpose and Intent.**

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material manner from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District.

The primary purpose of the District will be to finance the construction of the Public Improvements and to provide the Public Improvements and services necessary to serve the development to be known as The Bend @ Lakewood (the “**Project**”). The Community is being developed by Lakewood Land Partners, LP (the “**Developer**”) and is anticipated to contain multifamily residential units and commercial development. Under all circumstances, the Project will be developed only in conformance with Approved Development Plans approved by the City.

### **B. Need for the District.**

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

### **C. Objective of the City Regarding the District Service Plan.**

The City’s objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation, operation and maintenance, and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District and other legally available revenues. All Debt is expected to be repaid by taxes, fees, rates, tolls, and all other legally available revenues of the District. No debt service mill levy shall be imposed and collected at a level higher than the Maximum Debt Mill Levy, as hereinafter defined, for all taxable property within the boundaries of the District. Debt which is issued within these parameters and as further described in the Financial Plan will insulate property owners from excessive tax and Fee burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints. The primary purpose of the District is to provide for the Public Improvements associated with development of the Project. Operations and maintenance activities shall be allowed, subject to the limitations set forth in this Service Plan.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy and which shall not exceed the Maximum Debt Mill Levy Imposition

Term, and all other legally available revenues of the District. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property located within the boundaries of the District bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

## II. DEFINITIONS

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

Approved Development Plan: means an approved final plat or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development of property within the Service Area as approved by the City pursuant to the City Code, as amended from time to time.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy and/or collect Fee revenue.

City: means the City of Lakewood, Colorado.

City Code: means the Municipal Code of the City of Lakewood, Colorado.

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

Developer: means Lakewood Land Partners, LP, a Delaware limited partnership

District: means The Bend @ Lakewood Metropolitan District.

District Boundaries: means the boundaries of the area described by the District Boundary Map.

District Boundary Map: means the map attached hereto as Exhibit C, describing the boundaries of the District.

End User: means any owner, or tenant of any owner, of any taxable improvement within the District who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, or tenant is an End User. The business entity that constructs homes is not an End User.

External Financial Advisor: means a consultant that: (i) 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; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal

Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: means any rate, fee, toll, penalty or other charge imposed by the District and permitted by applicable law and this Service Plan for operations, maintenance, services, programs, improvements, facilities, debt and/or other uses of the District. The District shall have the power to levy assessments to be used to pay bonds issued by a Special Improvement District established by the District and such assessments will be considered Fees for purposes of this Service Plan.

Financial Plan: means the Financial Plan described in Section VI, and subsequent Financial Plans as required by Section VI.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VI.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VI.D below.

Mill Levy Adjustment: means, if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally- or statutorily-mandated tax credit, cut or abatement, the Maximum Debt Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2017, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation, and any constitutional or legislative changes in the actual value against which the assessment rate is applied, shall be deemed to be a change in the method of calculating assessed valuation.

Project: means the development of property within the Service Area to be known as The Bend @ Lakewood.

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

Service Area: means the property within the District Boundaries as amended by any inclusions and exclusions pursuant to Section III herein.

Service Plan: means this service plan for the District approved by City Council.

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

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

Special Improvement District: means one or more Special Improvement Districts established by the District pursuant to the Special District Act.

State: means the State of Colorado.

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

### **III. BOUNDARIES**

The area of the District Boundaries includes approximately sixty (60) acres. A legal description of the District Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundaries is attached hereto as **Exhibit C**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

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

The Service Area consists of approximately sixty (60) acres of land which will be comprised of residential and commercial property. The property within the Service Area is currently classified as vacant land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt as projected under the Financial Plan. The population of the District at build-out is estimated to be approximately 3,350 people, based on a projected number of 2,000 multifamily units and 100,000 square feet of commercial, and a population estimate of 1.5 persons per multifamily unit and 3.5 employees per square foot of commercial property.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

### **V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES**

#### **A. Powers of the District and Service Plan Amendment.**

The District shall have the powers and authority pursuant to the Special District Act and other applicable statutes, common law, and the Colorado Constitution as described and limited in this section.

#### **1. Operations and Maintenance.**

The primary purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate and maintain the Public Improvements. The District shall dedicate certain of the Public Improvements to the City or other appropriate jurisdiction in a manner consistent with this Service Plan, an Approved Development Plan and other rules and



regulations of the City and applicable provisions of the City Code. The District shall be authorized to operate and maintain any part or all of the Public Improvements owned by the District, unless the provision of such operation and maintenance is prohibited pursuant to an intergovernmental agreement with the City; provided that any Fee imposed by the District for access to any park and recreation improvements shall not result in non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative Fee as necessary to cover additional expenses associated with non-District City residents to ensure that such costs are not the responsibility of District residents. All such Fees shall be based upon the District's determination that such Fees do not exceed reasonable annual market fees for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public and non-District City residents free of charge.

In addition, the District shall be authorized to provide ongoing services related to the maintenance of landscaping improvements and related to covenant enforcement, as provided under Section 32-1-1004(8)(a), C.R.S. During the period that the District operates such facilities, revenue to pay the expenses of operations may be obtained from fees legally imposed by the District or other legally available revenues of the District. Approval of this Service Plan by the City constitutes the City's agreement that the District may perform these functions.

## **2. Water.**

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for potable water and irrigation water facilities and systems, including, but not limited to, water rights, water supply, treatment, storage, transmission, and distribution systems for domestic, irrigation, fire control, and other public purposes, together with all necessary and proper reservoirs, treatment facilities, wells, equipment, and appurtenances incident thereto, which may include, but shall not be limited to, transmission lines, pipes, distribution mains and laterals, storage facilities, and ditches, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

Domestic water supply and service is anticipated to be provided to the property pursuant to one or more intergovernmental agreements, however the final means and parameters of such service have not been finalized as of the date of this Service Plan.

Notably, as set forth in Section V.A.17, below, the District may 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; nor (c) impose and collect any Fees used for the purpose of repayment of Debt, prior to the approval by the City of an Approved Development Plan. The City will not approve any Approved Development Plan unless and until domestic water supply service to the property within the District is obtained. As a result, the District must secure adequate domestic water supply service before it may issue any Debt or impose a mill levy or fees for Debt. This strict limitation assures that domestic water service will be obtained before the property in the District, and any future property owner or resident, will incur any significant financial obligation.

Nothing in this Service Plan in any way obligates any governmental entity, including, without limitation, the District or the City, to commit or expend any funds.

### **3. Sanitary Sewer.**

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public sanitary sewers and to transport wastewater to an appropriate wastewater treatment facility, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

It is anticipated that sanitary sewer service to the property within the District will be provided pursuant to one or more intergovernmental agreements, however the final means and parameters of such service have not been finalized as of the date of this Service Plan.

Notably, as set forth in Section V.A.17, below, the District may 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; nor (c) impose and collect any Fees used for the purpose of repayment of Debt, prior to the approval by the City of an Approved Development Plan. The City will not approve any Approved Development Plan unless and until sanitary sewer service to the property within the District is obtained. As a result, the District must secure adequate sanitary sewer service before it may issue any Debt or impose a mill levy or fees for Debt. This strict limitation assures that sanitary sewer service will be obtained before the property in the District, and any future property owner or resident, will incur any significant financial obligation.

Nothing in this Service Plan in any way obligates any governmental entity, including, without limitation, the District or the City, to commit or expend any funds.

### **4. Storm Sewer.**

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements, including, but not limited to, culverts, dams, channels, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, and all necessary and proper equipment, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

### **5. Street Improvements.**

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for streets and roadway improvements including, but not limited to, bridges, curbs, gutters, culverts, storm sewers and drainage facilities, detention and retention ponds, retaining walls and appurtenances, sidewalks, paving, lighting, grading, landscaping, streetscaping, placement of underground utilities, snow removal, tunnels, and other street improvements, and architectural enhancements to any or all of the above, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto. It is expected that the District will be responsible for the long-term ownership and maintenance of certain streets within the Project, while other streets will be

dedicated to the City for long-term ownership and maintenance consistent with Approved Development Plans.

#### **6. Traffic Safety Protection.**

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements as are necessary or prudent, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, with all necessary and incidental and appurtenant facilities, and land and easements, together with extensions and improvements thereto. All traffic and safety control devices will be consistent with and in compliance with City rules and regulations.

#### **7. Parks and Recreation.**

The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for park and recreation facilities, services, or programs including, but not limited to, grading, soil preparation, sprinkler systems, fencing, pavilions, playgrounds, playing fields, open space, bike trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping, streetscaping, storage buildings and facilities, weed control, paving, decorative paving, outdoor functional and decorative lighting, community events, and other services, programs and facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

#### **8. Mosquito Control.**

The District shall have the power and authority to finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes.

#### **9. Covenant Enforcement and Design Review.**

The District shall have the power and authority to provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32-1-1004(8), as amended.

#### **10. Limited Fire Protection.**

The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services. However, the authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision. The District will enforce no parking within Service and Emergency Vehicle Access Easements (SEVA) on District-owned streets and other areas.

### **11. Television Relay and Translation.**

The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project.

### **12. Golf Course Construction Limitation.**

Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses in the City's boundaries, the District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course.

### **13. Construction Standards Limitation.**

The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City, other governmental entities having proper jurisdiction and those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

### **14. Privately Placed Debt Limitation.**

Prior to the issuance of any privately placed Debt that is placed with an individual or individuals not otherwise constituting or related to a private financial institution, the District 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 [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.

To the extent any portion of the Debt is to be issued through a private placement to which Section 32-1-1101(7)(a), C.R.S. would apply (the "**Interest Rate Restricted Debt Portion**"), the requirements of such Section shall apply to determine the interest rate on the Interest Rate Restricted Debt Portion of the Debt.

Any Debt issued by the District to the Developer or any affiliate, subsidiary or other entity related the Developer, shall comply with Section 32-1-1101(7)(a), C.R.S.

**15. Inclusion and Exclusion Limitations.**

The District shall not include within its boundaries any property outside the Service Area or exclude from its boundaries any property within the Service Area without the prior written consent of the City.

**16. Overlap Limitation; Single District Structure.**

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

This Service Plan is for a single metropolitan District and shall not allow for the organization or operation of multiple metropolitan districts hereunder. Further, the District shall not be permitted to be divided into subdistricts or to establish special improvement districts as set forth in Section 32-1-101, et seq., C.R.S., without the prior written consent of the City.

**17. Initial Debt Limitation.**

On or before the effective date of approval by the City of an Approved Development Plan, the District 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; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

**18. Total Debt Issuance Limitation.**

The District shall not issue Debt in excess of Fifty Million Dollars (\$50,000,000), provided that such limitation is not applicable to refunding bonds issued to refund outstanding Debt. Special Improvement District Debt, if any, shall be included in the definition of Debt that is subject to the Total Debt Issuance Limitation.

The foregoing total debt issuance limitation may only be increased by amending this Service Plan, with City Council approval, and only if a majority of the Board of Directors of the District are residents of the District and have voted in favor of such increase. The foregoing Debt limitation is based on the estimated costs of the public improvements to be financed by the District, with a reasonable amount of additional Debt capacity to account for potential changes in market conditions.

**19. Fee Limitation.**

The District may impose and collect Fees as a source of revenue for District operations and maintenance expenses. The District may impose and collect Fees as a source of revenue for repayment of debt and/or for capital costs, however, no Fee(s) related to the funding of costs of a capital nature shall be authorized to be imposed upon or collected from Taxable Property owned or occupied by an End User which has the effect, intentional or otherwise, of creating a capital cost payment obligation in any year on any Taxable Property owned or occupied by an End User. Notwithstanding any of the foregoing, the restrictions in this definition shall not

apply to any Fee imposed upon or collected from Taxable Property for the purpose of funding operation and maintenance costs of the District.

**20. Funds from Other Governmental Sources.**

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

**21. Consolidation Limitation.**

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

**22. Bankruptcy Limitation.**

All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan 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 approved by the City; and

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

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

**23. Eminent Domain Limitation.**

The District shall not be authorized to utilize the power of eminent domain or dominant eminent domain against City-owned property or City-leased property without the prior written consent of the City.

**24. Website.**

When a district is required to have a website in accordance with the requirements of C.R.S. Section 32-1- 104.5, the District shall establish, maintain and annually update a public

website or provide information on a shared community website, on which the District will timely post all information and documents required by C.R.S. § 32-1- 104.5.

## **25. Service Plan Amendment Requirement; Material Modifications.**

This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments, but this Service Plan may be amended pursuant to the provisions of the Special District Act.

The District is an independent unit of local government, separate and distinct from the City, and its activities are subject to review by the City if they deviate in a material manner from the requirements of this Service Plan. As such, actions of the District which violate the limitations set forth in this Service Plan shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

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

Pursuant to C.R.S. § 32-1-207, as amended, the District shall obtain prior written approval of the City before making any material modification to this Service Plan. Material modifications require a Service Plan Amendment and include modifications of a basic or essential nature, including, but not limited to, the following: any addition to the types of services or improvements provided by the District; a decrease in the financial ability of the District to discharge the existing or proposed indebtedness; an increase or decrease in the existing or projected need for organized service in the area; modifications to the District’s boundaries; exceeding the Debt limitation set forth in this Service Plan; exceeding the Maximum Debt Mill Levy; exceeding the Maximum Debt Mill Levy Imposition Term; and applying for grants or other funds for which the City is eligible without an agreement with the City.

In the event the District plans to undertake an action which may not be permitted by this Service Plan, it shall be the District’s responsibility to contact City staff to seek an administrative determination as to whether the action in question is permitted by the Service Plan. If City staff determines that the action may constitute a material modification, the District shall submit a proposal for action to the City Council. Thereafter, City Council will determine whether the proposed action constitutes a material modification. If City Council determines that the proposed action constitutes a material modification, then the action shall be prohibited and constitute a material modification of this Service Plan requiring an amendment pursuant to this Service Plan and C.R.S. § 32-1-207(2). If the District and either City staff or City Council are unable to agree as to whether a specific action is permitted by this Service Plan or is a material modification requiring a Service Plan Amendment, the District and the City shall meet and confer in good faith and attempt to resolve their disagreement before pursuing any remedy at law.

## **B. Preliminary Engineering Survey.**

The District shall have the authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements as set forth herein within and without the boundaries of the District as provided by the Special District Act and as may be more specifically defined in an Approved Development Plan. A Preliminary Infrastructure Plan, including (1) a list of the proposed Public Improvements to be developed by the District, and (2) an estimate of the costs of the proposed Public Improvements, is attached hereto as **Exhibit D**. An estimate of the costs of the proposed Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and is, with contingency, approximately \$33,741,000.

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements' standards will be compatible with those of the City and in accordance with the requirements of any Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or federal requirements.

## **VI. FINANCIAL PLAN**

### **A. General.**

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees and other legally available revenues.

The total Debt that the District shall be permitted to issue shall not exceed Fifty Million Dollars (\$50,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general *ad valorem* taxes to be imposed upon all taxable property of the District.

The District may also rely upon various other revenue sources authorized by law. These include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. As required by State law, any such Fees, rates, tolls, penalties, or charges must be reasonable in light of the services actually furnished by the District.

At least thirty (30) days prior to the issuance of any Bonds, the District shall deliver to the Executive Director of Finance a Financing Plan for such bond issuance that models the assumed revenue for repayment of the debt as amortized. The District shall not issue any Bonds until the Executive Director of Finance has provided the District with an Executive Director of Finance Consent Letter, in a form substantially similar to **Exhibit G**. The Executive Director of Finance shall have the right to waive this requirement or shorten the time frame required herein



in the Executive Director of Finance's sole discretion. Notwithstanding the foregoing, multiple fiscal year obligations incurred pursuant to intergovernmental agreements shall be excluded from the requirements of this provision.

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

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). For Interest Rate Restricted Debt Portion Debt, the requirements of Section 32-1-1101(7)(a) shall apply to determine the interest rate on the Interest Rate Restricted Debt Portion. The proposed maximum underwriting discount is five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

**C. 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 within such District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50.000) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VI.C.2 below; subject to the Mill Levy Adjustment.

2. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VI.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., and all other requirements of State law.

**D. Maximum Debt Mill Levy Imposition Term.**

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses that exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding or refinancing of a part or all of the Debt and such refunding or refinancing will result in a net present value savings as set forth in Section 11-56-101, et seq., C.R.S.

**E. Debt Repayment Sources.**

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service. The District may also rely upon various other revenue sources authorized by law. Such revenues may include Fees as provided in Section 32-1-1001(1), C.R.S., as amended from time to time, provided such Fees are authorized by this Service Plan, as well as any and all other legally available revenue. In no event shall the debt service mill levy exceed the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term.

**F. Debt Instrument Disclosure Requirement.**

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond, and in the Service Plan for creation of the District.

Similar language describing the limitations in respect to the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including but not limited to, a developer of property within the boundaries of the District.

**G. Security for Debt.**

The District shall not pledge any revenue or property of the City 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 City of payment of any of the District's obligations, nor shall anything in this Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

**H. TABOR Compliance.**

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

**I. District's Operating Costs.**

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, is part of the estimated cost of Public Improvements, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget for the District is anticipated to be

approximately one hundred thousand dollars (\$100,000) and will be derived from any and all legally available revenue.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for operations and maintenance. The Maximum Debt Mill Levy for the repayment of Debt nor the Maximum Debt Mill Levy Imposition Term shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to their taxpayers and service users.

#### **J. Annual Audits**

Notwithstanding the provisions of Section 29-1-601, et seq., C.R.S., which allow for audit exemptions under certain circumstances, the District shall cause to be made an annual audit of the financial statements of the District for each fiscal year in which the District has outstanding Debt.

### **VII. ANNUAL REPORT**

#### **A. General.**

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

#### **B. Reporting of Significant Events.**

The annual report shall include information as applicable for the reporting year as follows:

1. Boundary changes made.
2. Intergovernmental Agreements with other governmental entities, either entered into or terminated.
3. Access information to obtain a copy of rules and regulations adopted by the Board.
4. A summary of all litigation involving public improvements owned by the District.
5. The status of the construction of public improvements by the District.
6. A list of all facilities or improvements constructed by the District that were conveyed or dedicated to the City.
7. The final assessed valuation of the District as of December 31 of the reporting year.
8. A copy of the current year's budget.

9. A copy of the audited financial statements, if required by the ‘Colorado Local Government Audit Law’, Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable.

10. Notice of any uncured defaults existing for more than ninety (90) days under any Debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

## **VIII. DISSOLUTION**

It is expected that the District will exist in perpetuity to operate and maintain all District-owned Public Improvements and to provide the services described in this Service Plan. However, in the event the District is able to make adequate provision for the payment of all Debt and arrange for any authorized services, operations and maintenance functions to be undertaken by a separate entity or discharged, the District may be dissolved pursuant to the applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

## **IX. DISCLOSURE TO PURCHASERS**

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the District’s mill levies and Maximum Debt Mill Levy, as well as a general description of the District’s authority to impose and collect Fees, and to provide public improvements within and without the District’s boundaries consistent with this Service Plan. The form of notice shall be approved by and filed with the City, and shall be recorded against all property within the District Boundaries prior to the initial issuance of the Debt and the District imposing the mill levy which is the subject of the Maximum Debt Mill Levy. In the event any additional property is included in the District following the District’s organization, the same notice will be recorded against such included property contemporaneously with the inclusion. A proposed form of notice, entitled “Disclosure to Purchasers of Residential Property,” is attached as **Exhibit E**.

In addition, the District will use reasonable efforts to assure that the Developer provides written notice to all purchasers of residential property in the District who purchase property from the Developer (including any of Developer’s affiliates, subsidiaries, or related entities). A proposed form of such notice, which includes a signature line for a purchaser to acknowledge receipt of such notice, is attached as **Exhibit F**.

## **X. MISCELLANEOUS ADDITIONAL REQUIREMENTS AND CONSIDERATIONS**

### **A. Elections; Election Notices; Notice of Vacancies.**

All regular District elections shall be conducted by mail ballot pursuant to Section 1-13.5-101, et seq., C.R.S.

In addition to any and all notices required by law, the District shall cause written notice of all regular District elections after the District's organization to be mailed to each mailing address within the District's boundaries concurrent with the District's publication of a call for nominations for the election as required by C.R.S. § 1-13.5-501(1).

In the event there arises a vacancy on the Board of Directors at any time, the District shall cause written notice of such vacancy, or vacancies, to be mailed or sent by electronic mail to all residents within the District's boundaries prior to filling such vacancy(ies).

The District may rely upon information supplied by the Jefferson County Assessor's Office in complying with the foregoing requirements.

### **B. Annual Community Meeting.**

The District shall hold at least one community meeting each calendar year, the purpose and intent of such meeting being to provide an opportunity for the District's Board of Directors, the District's residents, and members of the surrounding community to meet and discuss issues affecting the District and the larger community ("**Annual Community Meeting**").

Each Annual Community Meeting shall be held and conducted consistent with the requirements of Section 32-1-903(6)(a), C.R.S., as the same may be amended from time to time. In addition to providing notice of the regular or special meeting as required by the Special District Act, at least 14 days prior to each Annual Community Meeting the District shall send written notice of the date, time and location of the Annual Community Meeting by U.S. Mail or electronic mail to the governing body of each existing municipality or special district that has levied an ad valorem tax within the next preceding tax year and that has boundaries within a radius of three miles of the District's boundaries.

## **XI. CONCLUSION**

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

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special districts are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.

8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.

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

**EXHIBIT A**

Legal Description

## EXHIBIT A

A PARCEL OF LAND LOCATED IN THE WEST ONE-HALF (W 1/2) OF SECTION 9 AND IN THE EAST ONE-HALF (E 1/2) OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 8, TOWNSHIP 4 SOUTH, RANGE 69 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 8, AS MONUMENTED BY A RECOVERED 2-3/4" ALUMINUM CAP, ILLEGIBLE, WHENCE THE NORTH QUARTER CORNER OF SAID SECTION 8, AS MONUMENTED BY A RECOVERED 3-1/4" BRASS CAP IN RANGE BOX, STAMPED "LS 19591" BEARS S 89°45'48" W, A DISTANCE OF 2619.77 FEET, FORMING THE BASIS OF BEARINGS FOR THIS DESCRIPTION;

THENCE S 00°05'35" E, A DISTANCE OF 290.02 FEET TO THE POINT OF BEGINNING;

THENCE N 89°45'58" E, A DISTANCE OF 50.02 FEET;

THENCE N 81°10'48" E, A DISTANCE OF 858.76 FEET;

THENCE N 89°14'30" E, A DISTANCE OF 490.67 FEET;

THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT WITH A CENTRAL ANGLE OF 58°20'03", A RADIUS OF 390.00 FEET, AN ARC LENGTH OF 397.07 FEET; AND A CHORD BEARING AND DISTANCE OF S 31°29'25" W, 380.14 FEET;

THENCE S 60°39'26" W, A DISTANCE OF 403.57 FEET;

THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A CENTRAL ANGLE OF 58°49'57", A RADIUS OF 213.00 FEET, AN ARC LENGTH OF 218.71 FEET; AND A CHORD BEARING AND DISTANCE OF S 31°14'28" W, 209.23 FEET;

THENCE S 01°49'30" W, A DISTANCE OF 269.32 FEET;

THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT WITH A CENTRAL ANGLE OF 29°53'01", A RADIUS OF 562.93 FEET, AN ARC LENGTH OF 293.61 FEET; AND A CHORD BEARING AND DISTANCE OF S 16°48'04" W, 290.29 FEET;

THENCE S 31°44'35" W, A DISTANCE OF 168.45 FEET;

THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A CENTRAL ANGLE OF 22°20'35", A RADIUS OF 495.00 FEET, AN ARC LENGTH OF 193.03 FEET; AND A CHORD BEARING AND DISTANCE OF S 20°34'16" W, 191.81 FEET;

THENCE S 09°23'57" W, A DISTANCE OF 620.97 FEET;

THENCE ALONG A NON-TANGENT CURVE TO THE LEFT WITH A CENTRAL ANGLE OF 09°22'40", A RADIUS OF 1,005.00 FEET, AN ARC LENGTH OF 164.49 FEET; AND A CHORD BEARING AND DISTANCE OF S 04°39'23" W, 164.31 FEET;

THENCE S 00°01'57" E, A DISTANCE OF 168.41 FEET;

THENCE S 88°48'16" W, A DISTANCE OF 56.85 FEET;

THENCE N 00°01'48" W, A DISTANCE OF 642.06 FEET;

THENCE S 89°58'12" W, A DISTANCE OF 964.14 FEET;

THENCE N 00°00'32" W, A DISTANCE OF 1,667.13 FEET;

THENCE S 72°53'41" E, A DISTANCE OF 60.00 FEET;

THENCE N 68°55'37" E, A DISTANCE OF 238.59 FEET;

THENCE N 89°45'58" E, A DISTANCE OF 374.38 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 2,572,177 SQ. FT. OR 59.0491 ACRES, MORE OR LESS.



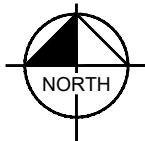
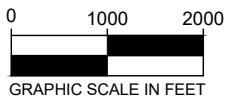
**EXHIBIT B**

Lakewood Vicinity Map

# EXHIBIT B

## VICINITY MAP

A PORTION OF THE WEST HALF OF SECTION 9 AND EAST HALF OF SECTION 8,  
TOWNSHIP 4 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN,  
CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO



### NOTES:

1. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.

2. THIS DOCUMENT IS NOT A LAND SURVEY PLAT OR AN IMPROVEMENT SURVEY PLAT AND DOES NOT REPRESENT A MONUMENTED LAND SURVEY. IT IS INTENDED TO DEPICT THE ATTACHED PARCEL DESCRIPTION ONLY.

# Kimley»Horn

6200 SOUTH SYRACUSE WAY, #300  
GREENWOOD VILLAGE, CO 80111

Tel. No. (303) 228-2300  
www.kimley-horn.com

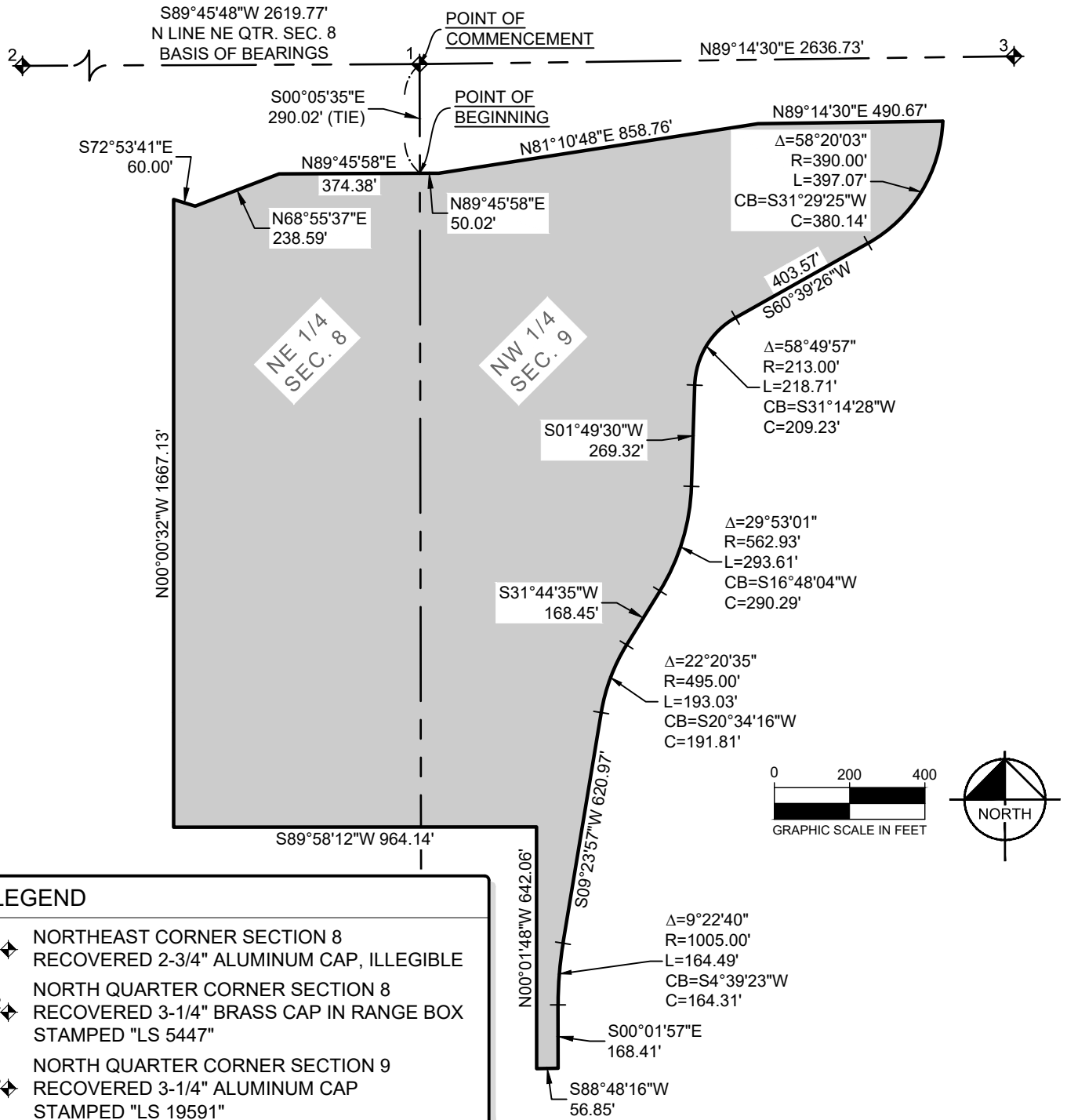
Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 2000'	PTM	DRW	May, 2024	Unsaved D	2 OF 3

**EXHIBIT C**

District Boundary Map

# EXHIBIT C

A PORTION OF THE WEST HALF OF SECTION 9 AND EAST HALF OF SECTION 8,  
TOWNSHIP 4 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN,  
CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO



## **EXHIBIT D**

### Preliminary Infrastructure Plan/Cost Estimates

## The Bend @ Lakewood Infrastructure

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<b>Cost</b>	<b>\$</b>	<b>Notes</b>
Traffic Offsite Improvements	5,000,000	Traffic Offsites @ 4th and Union, Including RTD
Offsite Utilities (Sewer & Water)	2,000,000	Based on connection to GMWSD*
Onsite Roads & Utilities	5,000,000	
Public Recreation Facility	3,000,000	
North Site Remediation	10,890,000	
South Site Remediation	500,000	
Environmental Testing & Review	1,000,000	
LPC Development Mgmt. Fee	750,000	5% of hard cost excluding environmental
Soft Costs (Architecture & Engineering)	1,000,000	
Legal / Other Consultants	200,000	
Contingency	4,401,000	15%
<b>Total</b>	<b>33,741,000</b>	

\* If the developer is required to utilize an alternate water / sewer district, costs will increase

**EXHIBIT E**

Form Disclosure to Purchasers of Residential Property

**THE BEND @ LAKEWOOD METROPOLITAN DISTRICT**  
**DISCLOSURE TO PURCHASERS**

This Disclosure to Purchasers has been prepared by The Bend @ Lakewood Metropolitan District (the “**District**”) to provide prospective property owners with general information regarding the District and its operations. This Disclosure to Purchasers is intended to provide an overview of pertinent information related to the District and does not purport to be comprehensive or definitive. You are encouraged to independently confirm the accuracy and completeness of all statements contained herein.

**DISTRICT’S ORGANIZATION / SERVICE PLAN**

The Property within the Bend development is located within the boundaries of the District. The District is a quasi-municipal corporation and political subdivision of the State of Colorado organized in the City of Lakewood (“**City**”). The District operates pursuant to its Service Plan, as approved by the City Council of the City of Lakewood on \_\_\_\_\_ (the “**Service Plan**”) and by the powers authorized by Section 32-1-1004, of the Colorado Revised Statutes.

The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance certain water, sanitary sewer and storm sewer, street, and safety protection improvements and services as defined in the Service Plan.

The District’s Service Plan, which can be amended from time to time, includes a description of the District’s powers and authority. A copy of the District’s Service Plan is available from the Division of Local Government in the State Department of Local Affairs (the “**Division**”).

**DISTRICT BOARD OF DIRECTORS**

The District is governed by a five-member Board of Directors, who must be qualified as eligible electors of the District. The Board’s regular meeting dates may be obtained from the District Manager, \_\_\_\_\_; (303) \_\_\_\_\_ / District Counsel, \_\_\_\_\_; (303) \_\_\_\_\_.

**DEBT AUTHORIZATION**

Pursuant to its Service Plan, the District has authority to issue up to \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) of debt to provide and pay for public infrastructure improvement costs.

Any debt issued by the District will be repaid through ad valorem property taxes, from a District imposed debt service mill levy on all taxable property of the District, together with any other legally available revenues of the District.

## TAXES AND FEES IMPOSED ON PROPERTIES WITHIN THE DISTRICT

### *Ad Valorem Property Taxes*

The District's primary source of revenue is from property taxes imposed on property within the District. Along with other taxing entities, the District certifies a mill levy by December 15<sup>th</sup> of each year which determines the taxes paid by each property owner in the following year. The District imposed a total combined Mill Levy of \_\_\_\_\_ mills for tax collection year 20\_\_\_\_ (as described below). The total anticipated overlapping mill levy for the property within the District for tax collection year 20\_\_\_\_ is \_\_\_\_\_ mills (inclusive of the District's Mill Levy), as described in the "Overlapping Mill Levy" section below.

### *Debt Service Mill Levy*

The maximum debt service mill levy the District is permitted to impose under the Service Plan ("**Debt Mill Levy Cap**") for the portion of any aggregate District's Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50.000) mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally- or statutorily-mandated tax credit, cut or abatement, the Maximum Debt Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2017, are neither diminished nor enhanced as a result of such changes (the "**Mill Levy Adjustment**"). For purposes of the foregoing, a change in the ratio of actual valuation, and any constitutional or legislative changes in the actual value against which the assessment rate is applied, shall be deemed to be a change in the method of calculating assessed valuation.

For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

### *Maximum Debt Mill Levy Imposition Term*

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses that exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding or refinancing of a part or all of the Debt and such refunding or refinancing will result in a net present value savings as set forth in Section 11-56-101, et seq., C.R.S.

### *Operations Mill Levy*

In addition to imposing a debt service mill levy, the District is also authorized by the Service Plan to impose a separate mill levy to generate revenues for the provision of administrative,



operations and maintenance services (the “**Operations and Maintenance Mill Levy**”). The amount of the Operations and Maintenance Mill Levy may be increased as necessary, separate and apart from the Debt Mill Levy Cap.

**THE FOLLOWING EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.**

***District Property Tax Calculation Example-Reduction in Residential Assessment Ratio***

Tax Collection Year	Actual Value (V)	Assessment Ratio (R)	Assessed Value (AV) [V x R = AV]	Mill Levy <sup>1</sup> /Rate <sup>2</sup> (M)	Amount of District Tax Due [AV x M]
(a) 2017	\$ _____	7.96%	\$ _____	____/____	\$ _____
(b) 2025	\$ _____	____%	\$ _____	____/____	\$ _____

<sup>1</sup> Based on a projected mill levy, not a representation of any actual current or future mill levy

<sup>2</sup> Each mill is equal to 1/1000<sup>th</sup> of a dollar.

If in 20\_\_\_\_ the Actual Value of the Property is \$ \_\_\_\_\_, and the Residential Assessment Ratio established by the State Legislature for that year is \_\_\_\_%, the Assessed Value of the Property is \$ \_\_\_\_\_ (i.e., \$ \_\_\_\_\_ x \_\_\_\_% = \$ \_\_\_\_\_). If the District certifies a combined debt and operations mill levy of \_\_\_\_\_ mills, it would generate approximately \$ \_\_\_\_\_ in revenue for the District.

**If in 20\_\_\_\_ the Actual Value of the Property remains at \$ \_\_\_\_\_, but if the State Legislature should determine to change the Residential Assessment Ratio for that year to \_\_\_\_%, the Assessed Value would be \$ \_\_\_\_\_ (i.e., \$ \_\_\_\_\_ x \_\_\_\_% = \$ \_\_\_\_\_). Therefore, the District would need to certify a \_\_\_\_\_ mill levy in order to generate the same revenue as in 20\_\_\_\_.**

***Overlapping Mill Levies***

In addition to the District’s imposed mill levies for debt and operations as described above, the property located within the District is also subject to additional “overlapping” mill levies from additional taxing authorities. The overlapping mill levy **for tax collection year 20\_\_\_\_**, for the property within the District, exclusive of the District’s imposed mill levies was \_\_\_\_\_. Mill levies are certified in December of each year, and generally published by the County by the end of the first quarter. Therefore, we are unable to provide more detailed information on the anticipated overlapping mill levy for 20\_\_\_\_ at this time. The breakdown of the estimated overlapping mill levies is as follows:

<b>Taxing Authority</b>	<b>Levy</b>
R1 School Bond Redemption Fund	
R1 School General Fund	
County General Fund	
Dept of Social Services	
Developmental Disability Fund	
Library Fund	
Road & Bridge Fund	
Lakewood	
Urban Drainage & Flood C So Plat	
Urban Drainage & Flood Cont Dist	
<b>TOTAL OVERLAPPING MILL LEVY (20 )</b>	
The Bend at Lakewood Metropolitan District (20 )	
<b>TOTAL WITH DISTRICT MILL LEVY</b>	

***Overlapping Mill Levy Property Tax Calculation Example***

<b>Tax Collection Year</b>	<b>Actual Value (V)</b>	<b>Assessment Ratio (R)</b>	<b>Assessed Value (AV) [V x R = AV]</b>	<b>Mill Levy<sup>1</sup>/Rate<sup>2</sup> (M)</b>	<b>Amount of Total Property Tax Due [AV x M]</b>
(a) 20 ____	\$ _____	7.20%	\$ _____	____/____	\$ _____

<sup>1</sup> Based on a projected mill levy, not a representation of any actual current or future mill levy

<sup>2</sup> Each mill is equal to 1/1000<sup>th</sup> of a dollar

**THE ABOVE EXAMPLE IS PROVIDED SOLELY FOR THE PURPOSE OF ILLUSTRATION AND IS NOT TO BE INTERPRETED AS A REPRESENTATION OF ANY ACTUAL CURRENT OR FUTURE VALUE INCLUDING, BUT NOT LIMITED TO, ANY ACTUAL VALUE, ASSESSMENT RATIO, OR MILL LEVY.**

**If in 20\_\_\_\_, all other overlapping entities maintain their 20\_\_\_\_ mill levies, the total mill levy with all overlapping entities for tax collection year 20\_\_\_\_ is anticipated to be \_\_\_\_\_ mills (inclusive of the District’s \_\_\_\_\_ mill levy imposition). Note, as stated above, mill levies are certified in December of each year, therefore, we are unable to provide more detailed information regarding the 20\_\_\_\_ overlapping mill levies at this time.**

***Fees***

In addition to property taxes, the District may also rely upon various other revenue sources authorized by law to offset the expenses of capital construction and district management, operations and maintenance. Pursuant to its Service Plan, the District has the power to assess fees, rates, tolls, penalties, or charges as provided in Title 32 of the Colorado Revised Statutes, as amended. The District has adopted a Resolution imposing certain fees. For a current fee schedule, please contact the District Manager at the contact information below.

**DISTRICT BOUNDARIES**

This Disclosure shall apply to the property within the boundaries of the District, which property is described on **Exhibit A** and **Exhibit B**, both attached hereto and incorporated herein by this reference.

**CONTACT INFORMATION**

Should you have any questions with regard to these matters, please contact:

District Manager:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**EXHIBIT A TO DISCLOSURE TO PURCHASERS**

Map of District Boundaries

**EXHIBIT B TO DISCLOSURE TO PURCHASERS**

Legal Description of District Boundaries

## EXHIBIT F

### Form Developer's Disclosure to Purchasers of Residential Property

**THIS DOCUMENT CONTAINS IMPORTANT LEGAL AND FINANCIAL CONSEQUENCES, AND BUYER SHOULD CONSULT LEGAL, TAX, AND OTHER COUNSEL OF BUYER'S CHOOSING BEFORE SIGNING. PURSUANT TO SECTION 38-35.7-110, C.R.S., THIS ADDENDUM CONCERNS, AMONG OTHER THINGS, ESTIMATED REAL PROPERTY TAXES AND POTENTIAL INCREASES TO PROPERTY TAXES THAT WOULD INCREASE BUYER'S TAX AND/OR MONTHLY HOME LOAN PAYMENT OBLIGATIONS.**

#### **Metropolitan District Disclosure The Bend @ Lakewood Metropolitan District Purchase Agreement Addendum**

This Addendum (“**Addendum**”) is attached to and forms an integral part of that certain Purchase Agreement dated \_\_\_\_\_ (the “**Purchase Agreement**”), by and between \_\_\_\_\_ a \_\_\_\_\_ (“**Seller**”) and [Buyer(s) Name(s)] on behalf of him/her/themselves, and all grantees, successors, and/or assigns (collectively, “**Buyer**”), for the purchase and sale of certain real property described in the Purchase Agreement (the “**Property**”).

The Property is located within the boundaries of The Bend @ Lakewood Metropolitan District (the “**Metropolitan District**”). The Metropolitan District is a local government and was formed to provide, among other things, public infrastructure benefiting the Property. For a full list of the Metropolitan District's power and authority, please review the Service Plan (defined in Section 2 below).

This Addendum was created on \_\_\_\_\_ [date transmitted to Seller] (the “**Estimation Date**”) based on public information available to Seller as of the Estimation Date in a good-faith effort to provide Buyer with accurate estimates and information about the Metropolitan District. The information contained in this Addendum is subject to change between the Estimation Date and the date set forth above, and Buyer should independently confirm any changes that may have occurred. Seller hereby discloses the following information to Buyer:

1. Buyer can review information about the Metropolitan District on the Special District Association of Colorado's Transparency website ([sdaco.org/cora](http://sdaco.org/cora)), and on the Colorado Department of Local Affairs' Division of Local Government website ([cdola.colorado.gov/local-government](http://cdola.colorado.gov/local-government)). The Metropolitan District's most recently prepared and filed Notice to Electors required by Section 32-1-809(1), C.R.S. is available at [URL for specific Metropolitan District Transparency Notice from

<https://www.sdaco.org/cora/sda-transparency/search>] and on the Metropolitan District’s website at [[URL for Metropolitan District website](#)].

2. The Metropolitan District’s service plan or statement of purpose, including all amendments thereto (the “**Service Plan**”), is available at [[URL for specific Metropolitan District from the Active Local Governments Directory at https://dola.colorado.gov/lgis/](#)]. The Service Plan may be amended after the Estimation Date, and any such amendment may render the information contained in this Addendum inaccurate.
3. Pursuant to its Service Plan, the Metropolitan District has authority to issue up to \$\_\_\_\_\_ of debt (the “**Maximum Debt Authorization**”). The debt of the Metropolitan District may be repaid through ad valorem property taxes, from a debt service mill levy on all taxable property of the Metropolitan District, or any other legally available revenues of the Metropolitan District.
4. The maximum debt service mill levy the Metropolitan District is permitted to impose under the Service Plan is **50.000** mills (the “**Maximum Debt Service Mill Levy**”). The Service Plan allows for adjusting the Maximum Debt Service Mill Levy due to the following:
  - a. If, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally- or statutorily-mandated tax credit, cut or abatement, the Maximum Debt Mill Levy may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring after January 1, 2017, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation, and any constitutional or legislative changes in the actual value against which the assessment rate is applied, shall be deemed to be a change in the method of calculating assessed valuation (the “**Mill Levy Adjustment**”);
  - b. by amendments to the Service Plan; or
  - c. by voter authorizations.

Note that, once the Metropolitan District’s debt is equal to or less than fifty percent (50%) of the Metropolitan District’s assessed valuation (based on the most recent final certification of assessed valuation of the Metropolitan District by the County Assessor), the limit on the maximum debt service mill levy will not apply.

5. Pursuant to the Service plan, the District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses that exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a

refunding or refinancing of a part or all of the Debt and such refunding or refinancing will result in a net present value savings as set forth in Section 11-56-101, et seq., C.R.S.

6. In addition to imposing a debt service mill levy, the Metropolitan District is also authorized to impose a separate mill levy to generate revenues for general operating expenses (the “**Operating Mill Levy**”). The Maximum Debt Service Mill Levy and the Maximum Debt Mill Levy Imposition Term (discussed in Section [5] above) shall not apply to the Metropolitan District’s ability to increase and impose its Operating Mill Levy as necessary for provision of operation and maintenance services to its taxpayers and service users.
7. The Metropolitan District may also rely upon various other revenue sources authorized by law to offset its expenses of capital construction and general operating expenses.
8. Pursuant to Colorado law, the Metropolitan District may impose fees, rates, tolls, penalties, or other charges as provided in Title 32, C.R.S. The Metropolitan District’s current fee schedule (if any) is available from the Metropolitan District.
9. The combined debt service mill levy and Operating Mill Levy imposed in 20\_\_\_\_ to be collected in 20\_\_ is \_\_\_\_ mills (the “**Current District Mill Levy**”). The residential assessment ratio for taxes collected in calendar year 20\_\_\_\_, as set forth in Section 39-1-104.2, C.R.S., is \_\_\_\_% of the actual value of the Property (the “**Assessment Ratio**”). Buyer may calculate the estimated property taxes on the Property attributable to the Metropolitan District by multiplying the purchase price payable under the Purchase Agreement times the Assessment Ratio, and multiplying the resulting product times the quotient of the Current District Mill Levy divided by 1,000, as shown in the formula below:

$$(Purchase\ Price \times Assessment\ Ratio) \times \left( \frac{Current\ District\ Mill\ Levy}{1,000} \right) = Estimated\ Property\ Tax$$

The Current District Mill Levy reflects property taxes attributable only to the Metropolitan District, and does not reflect the property taxes payable to other, overlapping governmental entities. According to the County Assessor’s Office, as of the Estimation Date, the aggregate of all mill levies imposed on the Property, including the Current District Mill Levy is \_\_\_\_ mills (the “**Total Mill Levy**”). Buyer understands the Total Mill Levy is subject to change from time to time, and should review the Tax Certificate (defined in Section [11] below) and other publicly available information to determine whether any changes have occurred between the Estimation Date and the date of the Tax Certificate.

$$(Purchase\ Price \times Assessment\ Ratio) \times \left( \frac{Total\ Mill\ Levy}{1,000} \right) = Estimated\ Property\ Tax$$

By way of example, the chart below shows the estimated property tax attributable to the Metropolitan District, as well as the estimated property tax attributable to



all governmental entities, that would be owed for real property and improvements purchased at different price levels as of the Estimation Date:

<b>Purchase Price (V)</b>	<b>Residential Assessment Ratio (R)</b>	<b>Assessed Value (AV) (V * R = AV)</b>	<b>Current District Mill Levy<sup>1</sup> (CDML)</b>	<b>Estimated District Property Taxes (AV*CDML/1000)</b>	<b>Total Mill Levy<sup>1</sup> (TML)</b>	<b>Estimated Total Property Taxes (AV * TML/1000)</b>
\$500,000.00	____%	\$	____	\$_____	____	\$_____
\$600,000.00	____%	\$	____	\$_____	____	\$_____
\$800,000.00	____%	\$	____	\$_____	____	\$_____

<sup>1</sup> 1 mill equals 1/1,000th of a dollar.

**This estimate only provides an illustration of the amount of the new property taxes that may be due and owing after the Property has been reassessed and, in some instances, reclassified as residential property. This estimate is not a statement of the actual and future taxes that may be due. First year property taxes may be based on a previous year’s tax classification, which may not include the full value of the Property and, consequently, taxes may be higher in subsequent years. A seller has complied with this disclosure statement as long as the disclosure is based upon a good-faith effort to provide accurate estimates and information.**

Buyer acknowledges the purchase price payable under the Purchase Agreement may be greater or less than the actual value (and, consequently, the assessed value) of the Property as determined by the County Assessor’s Office, and Buyer should confirm with the County Assessor’s Office the actual value of the Property.

- Contemporaneous with the execution of the Purchase Agreement, Seller will deliver to Buyer the most current County Assessor’s property tax certificate applicable to the Property (the “**Tax Certificate**”). Buyer may use the aggregate mill levies shown in the Tax Certificate to estimate the total property taxes applicable to the Property by using the total mill levy formula set forth in Section [10]. As noted above, the Tax Certificate may not reflect any reassessment or reclassification of the Property, may reflect a parcel larger than the Property if the County Assessor’s Office has not created a tax certificate specific to the Property, and may not reflect the full value of the Property. Accordingly, the formula set forth in Section [10] may be of assistance in estimating future property taxes.

The disclosures set forth in this Addendum are based on public sources available to Seller as of the Estimation Date and are being provided to Buyer both in a good-faith effort to comply

with statutory disclosure requirements and for the convenience of Buyer. Buyer should carefully review the content of this Addendum and any other resources Buyer believes would be beneficial before signing this Addendum to ensure: (a) the Metropolitan District is acceptable to Buyer in Buyer's sole discretion, and (b) no changes occurred between the Estimation Date and the date Buyer executes this Addendum that would render any of the information in this Addendum inaccurate. Buyer acknowledges all information in this Addendum is subject to change from time to time. Buyer agrees it will not rely on this Addendum or any information contained herein after the date Buyer signs this Addendum, and Buyer acknowledges Seller makes no representations, warranties, or covenants with respect to any matters or information contained in this Addendum. Buyer should review the Colorado Department of Local Affairs' Division of Local Government website, the Special District Association of Colorado's Transparency website, the Metropolitan District's website, and contact the Metropolitan District's Principal Business Office (as set forth in the most recent Notice to Electors linked in Section 1) for the most up-to-date information about the Metropolitan District.

By its execution of this Addendum, Buyer acknowledges and agrees this Addendum was provided by Seller concurrently with or prior to execution of the Purchase Agreement.

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**

[SIGNATURE PAGE TO METROPOLITAN DISTRICT DISCLOSURE]

Executed this \_\_\_ day of \_\_\_\_\_, 20\_\_

**Seller:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Buyer(s):**

\_\_\_\_\_

By: \_\_\_\_\_

Sales Counselor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT G**  
**Form of Executive Director of Finance Consent Letter**

\_\_\_\_\_, 20\_\_\_\_

The Bend @ Lakewood Metropolitan District  
c/o McGeady Becher P.C.  
Attn: Elisabeth A. Cortese  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203

Re: Consent to and Waiver of certain Service Plan Requirements for The Bend @ Lakewood Metropolitan District

Dear Ms. Cortese

We are in receipt of the letter from The Bend @ Lakewood Metropolitan District regarding the anticipated issuance of its \_\_\_\_\_ (the “\_\_\_\_\_ **Bonds**”), in the approximate aggregate principal amount not to exceed \$\_\_\_\_\_. (the “**Service Plan Letter**”). All capitalized terms used in this letter shall have the meanings as defined in the Service Plan Letter. We have reviewed the Service Plan Letter and the requests contained therein. We hereby address your requests as follows:

As the Executive Director of Finance of the City of Lakewood, I hereby:

1. Acknowledge receipt of the documents constituting the Financing Plan pursuant to VI.A of the Service Plan; and
2. [Waive the thirty (30) day document review period for the Financing Plan under Section VI.A of the Service Plan with respect to the Bonds.]

If you have any questions and/or concerns, please feel free to contact \_\_\_\_\_ of the Department of Finance.

**CITY OF LAKEWOOD, COLORADO**

By: \_\_\_\_\_  
Executive Director of Finance