

FIRST AMENDMENT TO
MODEL SERVICE PLAN
FOR
TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
IN THE CITY OF COLORADO SPRINGS, COLORADO

Prepared

By

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As approved by the City of Colorado Springs on June 24, 2025

I. INTRODUCTION

The Model Service Plan for Tuscan Foothills Village Metropolitan District (the “**Service Plan**”) was approved by the City Council of the City of Colorado Springs (the “**City**”) on September 27, 2016, pursuant to Resolution No. 97-16.

This First Amendment to the Service Plan (the “**First Amendment**”) is intended to be read in conjunction with the Service Plan. Unless specifically defined in this First Amendment, all defined terms shall have the same meaning as set forth in the Service Plan.

II. THE PROPOSED CHANGE AND PURPOSE FOR THE CHANGE

Due to the limitations imposed in the Service Plan regarding the District’s Total Debt Issuance Limitation, Maximum Debt Mill Levy, and Maximum Operating Mill Levy, the District has been limited in its ability to fund its capital and operations costs. To achieve greater flexibility, the District desires to amend the Service Plan to more closely align with the City’s current model service plan.

Through this First Amendment, the District seeks to amend Sections V.A.10, VI.E, VI.J, and Exhibit E of the Service Plan. The District is proposing to increase its Total Debt Issuance Limitation to \$2,000,000, increase its Maximum Debt Mill Levy and its Maximum Operating Mill Levy, and revise relevant language to more closely align with the City’s current model service plan.

The Service Plan may be amended subject to Section V.A.15 of the Service Plan and the Colorado Springs Special District Policy. This First Amendment is submitted in accordance with such authorities and Article 7-100 of the City’s Charter, and pursuant to Section 32-1-101, *et. seq.*, C.R.S., as amended. This First Amendment is limited to the modifications specifically described below.

III. SECTION V AMENDMENT

Section V.A.10 of the Service Plan is hereby deleted in its entirety and replaced with the following:

“Total Debt Issuance Limitation. The issuance of all bonds or other debt instruments of the District shall be subject to the approval of the City Council. City Council’s review of the bonds or other debt instruments of the Districts shall be conducted to ensure compliance with the Service Plan and all applicable laws. The District shall not issue Debt in an aggregate principal amount in excess of \$2,000,000, provided that the foregoing shall not include any increase in the principal amount of previously issued Debt directly associated with its refunding or refinancing.”

IV. SECTION VI AMENDMENT

Section VI.E of the Service Plan is hereby deleted in its entirety and replaced with the following:

“E. Maximum Debt Mill Levy

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

1. For this District, the Maximum Debt Mill Levy shall be calculated as follows:
 - a. The Maximum Debt Mill Levy certified for the District shall be limited to no more than 35.000 mills. This levy may be subject to upward or downward adjustments addressing any statutory or constitutionally mandated change in assessment ratios, actual valuation, tax credit, cut or any abatement occurring after, but not before July 12, 2022.
 - b. At such time as the Debt to Actual Market Value Ratio within the 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 homeowners owning property within the District. 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.”

Section VI.J of the Service Plan is hereby deleted in its entirety and replaced with the following:

“J. Maximum Operating Mill Levy.

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 is estimated to be \$50,000, which is anticipated to be derived from property taxes and other revenue.

The Maximum Operating Mill Levy for the payment of administrative, operating or maintenance expenses shall be 20.000 mills. This levy may be subject to upward or downward adjustments addressing any statutory or constitutionally mandated change in assessment ratios, actual valuation, tax credit, cut or any abatement occurring after, but not before July 12, 2022.

V. EXHIBIT E AMENDMENT

Exhibit E of the Service Plan is hereby deleted in its entirety and replaced with the following:

EXHIBIT E

NOTICE OF SPECIAL DISTRICT DISCLOSURE

(to be provided to every purchaser of real property within the boundaries of the District)

Name of District(s):	Tuscan Foothills Village Metropolitan District
Contact Information for District:	White Bear Ankele Tanaka & Waldron, PC 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122
Type of District(s): (i.e. if dual or three districts concept - insert language regarding limited rights of property owners)	Metropolitan District
Identify District(s) Improvements Financed by Proposed Bonds (List by major categories, i.e. Roads – Powers Blvd):	Street improvements, curb and gutter, sidewalks, water lines, sewer lines, landscaping, irrigation and entryways
Identify Services/Facilities Operated/Maintained by District(s):	Landscaping, irrigation and entryway features
Mill Levy Cap: (Describe Procedure for any Adjustments to Mill Levy Cap) <i>(Note: This District may or may not be certifying a mill levy at the time of your purchase. Please verify by contacting the District.)</i>	The residential property mill levy cap will be 35.000 mills for debt service and 20.000 mills for operations and maintenance.
Authorized Debt of the District(s) per Operating or Service Plan:	\$2,000,000
Voter Authorized Debt per Election:	\$30,000,000
District Boundaries:	See attached map

Sample Calculation of Mill Levy Cap for a Residential Property

Assumptions:

Market value is \$250,000

Mill levy cap is 35.0 mills

Calculation:

$\$250,000 \times .0796 = \$19,900$ (Assessed Valuation)

$\$19,900 \times .035 \text{ mills} = \text{\$696.50 per year in taxes owed solely to the Special District}$

VI. RESOLUTION

Except as specifically amended and set forth above, all other provisions of the Service Plan shall remain in full force and effect. To the extent there are any inconsistencies between this First Amendment and the Service Plan, this First Amendment shall control.