

**AMENDED AND RESTATED DISCLOSURE NOTICE TO PROSPECTIVE
PURCHASERS**

BY MAYBERRY, COLORADO SPRINGS METROPOLITAN DISTRICT NOS. 1-8

In El Paso County, Colorado

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DISCLOSURE STATEMENT

Pursuant to Article X, Section B of the Second Consolidated Amended and Restated Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 1 and 2 and Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 3-8

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The Second Consolidated Amended and Restated Service Plan for the Mayberry, Colorado Springs Metropolitan District Nos. 1 and 2 and Service Plan for Mayberry, Colorado Springs Metropolitan District Nos. 3-8 (the "Service Plan"), dated July 30, 2020 and approved by the El Paso County Board of County Commissioners (the "BOCC") by Resolution Number 20-235 (the "Approving Resolution") on September 8, 2020, is on file and available for review from the Mayberry, Colorado Springs Metropolitan District Nos. 1-8 (collectively, the "Districts") and at the office of the BOCC. Further, the Approving Resolution was recorded in the records of the El Paso County Clerk and Recorder on September 9, 2020 at Reception Number. 220139219.

Capitalized terms within this Disclosure Notice to Prospective Purchasers, if not defined herein, shall have the same meaning as the terms are defined within the Amended and Restated Service Plan.

DISTRICTS' ORGANIZATION:

The Districts are quasi-municipal corporations and political subdivisions of the State of Colorado duly organized and existing as metropolitan districts pursuant to Title 32, Colorado Revised Statutes. The Mayberry, Colorado Springs Metropolitan District No. 1 was originally named the Ellicott Town Center Metropolitan District and was declared organized and existing as a metropolitan district pursuant to that certain Order and Decree issued by the District Court of El Paso County, Colorado on November 20, 2006 and recorded in the records of the El Paso County Clerk and Recorder on January 4, 2007 at Reception Number 207001700. The Mayberry, Colorado Springs Metropolitan District No. 2 was declared organized and existing as a metropolitan district pursuant to that certain Order and Decree issued by the District Court of El Paso County, Colorado on November 7, 2019 and recorded in the records of the El Paso County, Clerk and Recorder on November 20, 2019 at Reception Number 219146540. The Mayberry, Colorado Springs Metropolitan District Nos. 3-8 were declared organized and existing as metropolitan districts pursuant to those certain Orders and Decrees issued by the District Court of El Paso County, Colorado on November 30, 2020 and recorded in the records of the El Paso County Clerk and Recorder on December 28, 2020 at Reception Numbers 220211997, 220211998, 2202119999, 220212000, 220212001 and 220212002.

DISTRICTS' PURPOSE:

The Districts were organized for the primary purpose of assisting in the financing of public infrastructure such as streets, street lighting, traffic and safety controls, water, sanitary sewer, landscaping, storm sewers, flood and surface drainage, and park and recreation improvements for the development project to occur within the Districts' boundaries. It is anticipated that any Public Improvements not conveyed to El Paso County, another appropriate jurisdiction or an owners' association, will be owned, operated and maintained by the Districts. Specifically, the Districts anticipate providing water and sewer facilities and services and park and recreation services to the Project and properties included within the Districts' Service Area. A map depicting the boundaries of the Districts, as of March 26, 2021, is attached as **Exhibit A**. The Districts' boundaries may be adjusted from time to time pursuant to Colorado law.

TAX LEVY INFORMATION:

The primary source of revenue for the Districts is *ad valorem* property taxes imposed on taxable property located within their boundaries. Property tax rates are determined annually by the Districts' Boards of Directors and then certified to the Board of County Commissioners for El Paso County. The amount of annual property tax revenue raised by the Districts is a function of the Districts' mill levy rates applied to the amount of assessed valuation of the property within the Districts. The property tax levy is expressed in terms of mills. A mill is 1/1,000 of the assessed valuation, and a levy of one mill equals \$1 of tax for each \$1,000 of assessed value.

The mill levy rates are limited by the Service Plan. The Maximum *Debt* Service Mill Levy is fifty (50) mills for District Nos. 1, 3, 4, 5, 6 and 7 and twenty-five (25) mills for District Nos. 2 and 8. For the Districts' administration, maintenance, and other operating expenses the Districts are authorized under the Service Plan to impose up to ten (10) mills as the Maximum *Operation* Mill Levy for each District and up to five (5) mills as the Maximum *Special Purpose* Mill Levy for each District to provide covenant enforcement services. Combined, the maximum mill levy for District Nos. 1, 3, 4, 5, 6 and 7 is sixty-five (65) mills and forty (40) mills for District Nos. 2 and 8.

The Districts' annual property taxes along with all other property taxes imposed by other taxing entities are billed and collected through El Paso County.

GENERAL FORMULA FOR ASSESSMENT OF RESIDENTIAL PROPERTY

1. Every two years (in odd years) the El Paso County Assessor's office makes a market value determination based upon sales prices of comparable homes in the area during a specific appraisal and assessment period (the "Market Value").
2. Market Value is multiplied by the assessment rate, which as of January 1, 2021, was 7.15% for residential property. The current assessment rate can be obtained from the County Assessor's Office (Market Value times the assessment rate = Assessed Value).

3. Applicable District Mill Levy is applied to the Assessed Value, resulting in the property tax obligation owed to the District from the property.

For example and demonstration purposes only, assume a residential property in District No. 1 has a Market Value of \$300,000, as determined by the County Assessor. Applying the 7.15% valuation factor produces an Assessed Value of \$21,450. One mill (.001) applied to that Assessed Value produces \$21.45 of additional taxes. If District No. 1 imposes a mill levy of 50 mills, the result would be \$1,072.50 in annual property taxes due to District No. 2 for a home valued at \$300,000. It is important to note that, in addition to the Districts, there may be multiple separate taxing entities that also impose property taxes which contribute to a property's overall annual property tax liability.

DISTRICTS' DEBT INFORMATION:

The maximum principal amount of long-term debt payable from property taxes that the Districts can incur is limited by the Service Plan which has set a debt limit in the amount of \$178,420,000 (combined for Nos. 1-8 upon the Gillespie Inclusion). The amount of actual debt eventually issued within this limitation will depend on the number of homes constructed, the combined assessed valuation of such homes, and the limitations on the Maximum Debt Authorization. The debt service mill levy imposition term is 30-years from the initial year such debt service mill levy is imposed.

DISTRICTS' FEE INFORMATION:

In addition to property taxes, the Districts have the authority to impose fees, rates, tolls, penalties, and charges as authorized in Section 32,1-1,1001(1)(j)(I), C.R.S. The Districts may impose a one-time development facility fee/development fee on each lot, which will likely be due at time of building permit to help defray costs of the public infrastructure. Additionally, the Districts are empowered to impose operations, maintenance and administrative fees fee (monthly, quarterly, annually, etc.) on each lot to pay for on going operation, maintenance, and administrative services provided by the Districts. Fees may be imposed and increased from time-to-time and at rates determined in the discretion of the Districts' Boards of Directors.

DEVELOPER FUNDING AGREEMENT INFORMATION:

The Developer may enter into Developer Funding Agreements with the Districts to create obligations whereby the Districts re-pay the Developer for funds advanced for both capital costs and operations and maintenance expenses.

CONTACT INFORMATION:

AJ Beckman, District Manager, Public Alliance, LLC, 355 S Teller Street, Lakewood, Colorado 80226 (303) 877-6284.

**MAYBERRY, COLORADO SPRINGS
METROPOLITAN DISTRICT NOS. 1-8**

EXHIBIT A

Map of Districts' Boundaries as of March 26, 2021

