~~**RESOLUTION NO.**~~
~~**EXHIBIT B**~~

~~**(MULTIPLE DISTRICT WITHOUT CONTROL DISTRICT MODEL SERVICE PLAN)**~~

~~*(Note: Parenthetical language is included for explanatory purposes and should be either deleted from the draft plan or replaced with the applicable specific language for the actual Service Plan)*~~

~~**(Insert Name of District)**~~

STERLING RANCH
METROPOLITAN DISTRICT NOS. ~~____~~4 & 5

EL PASO COUNTY, COLORADO

DRAFT
~~**(Insert date)**~~
January 23, 2023

SERVICE PLAN

FOR

~~(Insert Name)~~
STERLING RANCH

METROPOLITAN DISTRICT NOS. ~~_____~~4 & 5

Prepared by:

~~(Insert Name)~~
~~(Insert Address)~~
~~(Insert Phone and e-mail)~~

~~DRAFT (Insert Date)~~

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, Colorado 80203
(303) 839-3800
rdykstra@spencerfane.com

January 23, 2023

Applicant~~(s)~~:

~~*(Insert full name and contact information for all applicants)*~~
~~*(Include all proposed initial directors if this information available)*~~

Classic SRJ, LLC
2138 Flying Horse Club Drive
Colorado Springs, Colorado 80921

Proposed Initial Directors:
Douglas Stimple
Nate Lenz
Loren Moreland
Joe Loidolt
Jerry Richardson

Consultants~~(s)~~:

~~(Insert full name and contact information for all consultants directly related to creation and/or anticipated implementation of the Service Plan and not previously listed~~

- ~~Marketing Consultant~~
- ~~Engineer~~
- Underwriter: D.A. Davidson & Co.
  Attn: Laci Knowles
  1550 Market Street, Suite 300
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  (303) 764-5764

- Engineer~~Bond Counsel~~
- ~~Planner~~
- ~~Etc.~~

:
Classic Consulting Engineers & Surveyors, LLC
619 No. Cascade Avenue, Suite 200
Colorado Springs, Colorado 80903

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I. EXECUTIVE SUMMARY

The following is a summary of general information regarding the proposed Districts provided for the convenience of the reviewers of this Service Plan. Please note that the following information is subject in all respects to the more complete descriptions contained elsewhere in this Service Plan.

Proposed Districts:	Sterling Ranch Metropolitan District Nos. 4 & 5
~~Property Owner(s):~~	~~(name only)~~
Property Owners:	Classic SRJ Land, LLC, Mountain View Electric Association, Inc., Artesia Lot Holdings LLC, Vantage Homes Corp. (Schedule Numbers: 5200000553, 5234002001, 5227000008, 5227000006, 5228000038, 5233000015, 5227000005, 5227005001, 5227000007).
Developer~~(s):~~	~~(name only):~~ Classic SRJ, LLC
~~Description of Development:~~	~~*(Description of the location, land uses, acreage and total proposed dwelling units and/or commercial square footage of the project).*~~
Description of Development:	The boundaries of the proposed Districts consist of approximately 581 acres of land located southeast of the intersection of Vollmer Road and Arroya Lane in El Paso County. The property within the Districts' boundaries are anticipated to consist of approximately 45 single family homes with an average value of $1,250,000, 5 single family homes with an average value of $850,000, 321 single family homes with an average value of $800,000, 142 single family homes with an average value of $700,000, 238 single family homes with an average value of $675,000, and 851 single family homes with an average value of $650,000 (see financial plan provided as part of Exhibit D for additional detail). The number of anticipated homes remains an estimate and may be altered depending on the final outcome of the development approval process.
Proposed Improvements ~~to be Financed:~~	~~*(Summarize the types and extent of improvements proposed to be financed)*~~
to be Financed:	Proposed completion of an estimated $140,000,000 of on and off-site public improvements, including, but not limited to, roadway, water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements (including access

roads and wetland mitigation). The foregoing cost estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of the Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall development costs.

~~Proposed Ongoing Services:~~ ~~*(Summarize the actual services proposed to be provided by the Districts)*~~

Proposed Ongoing Services: The Developer and the proposed Districts intend to work with existing overlapping service providers to obtain the necessary consents and/or approvals for the provision of necessary services to the Districts including, but not limited to, water, sewer, streets, stormwater and drainage, and parks and recreation. Because the overall development remains in its infancy, the specific services and potential overlapping service providers have yet to be determined, however, it is anticipated that the Falcon Area Water and Wastewater Authority and the Black Forest Fire Protection District will serve the property within the Districts' boundaries once the necessary improvements are constructed. More information can be provided once determined and known. Additionally, the proposed Districts shall have the power and authority to provide other services as authorized under the Special District Act including, but not limited to, mosquito control, television relay and translation, covenant enforcement and design review, and security services.

Infrastructure Capital Costs: Approximately ~~$~~ $140,000,000

Maximum Debt Authorization: ~~$~~ $150,000,000 (combined for ~~all~~both Districts)

Proposed Debt Mill Levy: ~~Mills~~50 mills

Proposed O & M Mill Levy: ~~Mills~~15 mills

~~Proposed Special Purpose Mill Levy;~~

Proposed Maximum Mill Levies: ~~*(Include*~~65 mills, inclusive of debt ~~*service, operational, special*~~(50 mills) and ~~*combined as applicable)*~~operations and maintenance (15 mills) for each District.

Proposed Fees:	~~*(Summarize major proposed*~~The Districts anticipate imposing fees~~ *such as facility*~~, including capital fees, ~~*tap*~~facilities fees, ~~*service*~~drainage fees~~ *etc.)*~~, and operations and maintenance fees, including an open space maintenance fee and street lighting fee.

II. DEFINITIONS

The following terms are specifically defined for use in this Service Plan. For specific definitions of terms not listed below please also refer to the El Paso County Special District Policies, the El Paso County Land Development Code and Colorado Revised Statutes, as may be applicable.

Additional Inclusion Areas: means the property described in Section 3 and depicted on the map found at Exhibit A.3 that is anticipated for future inclusion into the boundaries of the Districts, together with other real property located within a 5-mile radius of the combined area described in Exhibit A.3 and A.5 that may be included upon petition of the property owners thereof.

Annual Report and Disclosure Statement: means the statement of the same name required to be filed annually with the Board of County Commissioners pursuant to Resolution 06-472 as may be amended.

Assessment Rate Adjustment: means, if after approval of this Service Plan, the laws of the State change with respect to the assessment of property for taxation purposes, the method of calculating assessed valuation or any other similar changes occur, an allowed adjustment to the Maximum Debt Service Mill Levy~~, Maximum Operational Mill Levy,~~ or Maximum ~~Special~~Operational Mill Levy to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the Maximum Debt Service Mill Levy~~,~~ and the Maximum Operational Mill Levy ~~or Maximum Special Mill Levy,~~ are neither diminished nor enhanced as a result of such changes.

Board(s): means the board of directors of any District, or in the plural, the boards of directors of all the Districts.

Board of County Commissioners: means the Board of County Commissioners of El Paso County.

Conventional Representative District: means a Title 32 special district, which is structured to allow all residents and property owners to participate in elections for the Board of Directors, as otherwise allowed by Statute.

County: means El Paso County, Colorado

Debt: means bonds or other obligations for the payment of which the Districts have promised to impose an *ad valorem* property tax mill levy without such promise being subject to annual appropriation.

Developer Funding Agreement: An agreement of any kind executed between a special district and a Developer as this term is specifically defined below, including but not limited to advance funding agreements, reimbursement agreements or loans to the special district from a Developer, where such an agreement creates an obligation of any kind which may require the special district to re-pay the Developer. The term "Developer" means any

person or entity (including but not limited to corporations, venture partners, proprietorships, estates and trusts) that owns or has a contract to purchase undeveloped taxable real property greater than or equal to ten percent (10%) of all real property located within the boundaries of the special district. The term "Developer Funding Agreement" shall not extend to any such obligation listed above if such obligation has been converted to Debt issued by the special district to evidence the obligation to repay such Developer Funding Agreement, including the purchase of such Debt by a Developer.

District No. ~~__ (*repeat for each District proposed & state purposes of each district*):~~ 4: means the ~~(_____)~~Sterling Ranch Metropolitan District No. ~~(___).~~4, anticipated to consist of residential property.

District No. 5: means the Sterling Ranch Metropolitan District No. 5, anticipated to consist of residential property.

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 Districts for which External Advisor Services are being rendered~~,~~; and (iv) has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Initial District Boundaries: means the initial boundaries of the Districts as described in Section ~~___~~III.J, depicted on the map in Exhibit A.2, and as legally described in the legal description found at Exhibit A.5.

Local Public Improvements: means facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, but which do not qualify under the definition of Regional Public Improvements. Examples would include local streets and appurtenant facilities, water and sewer lines which serve individual properties and drainage facilities that do not qualify as reimbursable under adopted drainage basin planning studies.

Material Modification: has the meaning described in Section 32-1-207, C.R.S., as it may be amended from time to time.

Maximum Combined Mill Levy: The maximum combined ad valorem mill levy the applicable District may certify against any property within said District for any purposes.

Maximum Debt Authorization: means the maximum principal amount of Debt that the Districts combined may have outstanding at any time, which under this Service Plan is ~~$_____.~~$150,000,000.

Maximum Debt Service Mill Levy: The maximum ad valorem mill levy the applicable District may certify against any property within said District for the purpose of servicing any Debt incurred by or on behalf of said District.

Maximum Operational Mill Levy: The maximum ad valorem mill levy the applicable District may certify against any property within said District for the purposes providing revenues for ongoing operation, maintenance, administration or any other allowable services and activities other than the servicing of Debt. ~~This Maximum Operational Mill Levy is exclusive of any Maximum Special Mill Levy which might be separately authorized.~~

~~Maximum Special Purpose Mill Levy: means maximum ad valorem mill levy which is allowed in addition to the allowable Maximum Debt Service Mill Levy and the Maximum Operational Mill Levy *(E.g. a special earmarked levy for fire protection or covenant enforcement etc. – identify use within definition)*~~

Planning and Community Development Department: The department of the County formally charged with administering the development regulations of the County.

Public Improvements: Those improvements constituting Regional Public Improvements and Local Public Improvements collectively.

Regional Public Improvements: Facilities and other improvements which are or will be dedicated to the County or another governmental or quasi-governmental entity for substantially public use, and which serve the needs of the region.

Revenue Obligations: means bonds or other obligations not subject to annual appropriation that are payable from a pledge of revenues other than *ad valorem* property taxes.

Service Plan: means this Service Plan for the Districts.

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

State: means the State of Colorado.

Underlying Land Use Approvals: means Board of County Commissioners approval of the applicable land use plans that form the basis for the need for the Districts and ~~its~~their proposed financing plan and/or services. Such approvals may be in the form of one or a combination of Sketch Plans~~,~~, site-specific Planned Unit Development (PUD) plans, or subdivision plans.

III. INTRODUCTION

A. Overall Purpose and Intent.

The Districts will be created pursuant to the Special District Act and are being created with a Conventional Representative District structure under El Paso County policies. The Districts are independent units of local government, separate and distinct from the County, and, except as may otherwise be provided for by State or local law or this Service Plan, their activities are subject to review by the County only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts, in their discretion, will provide a part or all of various Public Improvements necessary and appropriate for the development of a project within the unincorporated County to be known as "_____""Sterling Ranch" (the "Project"). The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants, property owners and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements. Additional major purposes ~~will include _____ *(add additional ongoing service and maintenance purposes if applicable)*.~~may include operating and maintaining Public Improvements not otherwise dedicated to another entity.

~~*(Provide any other key summary information as applicable)*~~

B. Need For The Districts.

~~The overall need for creation of the Districts is _____. *(Summarize overall need for the Districts. Explain why adjacent districts cannot provide services, provide supporting evidence.)*~~

There is a need for creation of the Districts. A multiple district structure has been chosen to account for the Project to be developed in multiple phases. The phasing of development will allow for more efficient financing for the overall project. As further explanation, the Districts will serve a large project with significant infrastructure and phasing will require multiple districts to accommodate any delay in development and for a coordinate approach to infrastructure financing. The multiple district structure also allows debt issuance to be done in the most efficient manner by segregating the debt to completed portions of the development instead of one district being compelled to issue debt early in the project.

There are currently no other governmental entities, including the County, located in the immediate vicinity of the Districts that consider it desirable, feasible, or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project.

C. County Objectives In Forming The Districts.

The County recognizes the Districts as independent quasi-municipal entities which ~~is~~are duly authorized for the purposes and functions identified in the Service Plan. Future County involvement in the affairs of the Districts will generally be limited to functions as required by the Colorado Revised Statutes, reporting and disclosure functions, determinations as to compliance with the limits as set forth in this Service Plan or any conditions attached to its approval, as well as additional activities or relationships as may be stipulated in any intergovernmental agreements which

may be entered in to between the Districts and the County in the future.

In approving this Service Plan, the objectives of the County include an intent to allow the applicant~~(s)~~ reasonable access to public tax-exempt financing for reasonable costs associated with the generally identified Public Improvements and to allow the applicant~~(s)~~ the ability to prudently obligate future property owners for a reasonable share of the repayment costs of the Public Improvements which will benefit the properties within the Districts.

It is the additional objective of the County to allow for the Districts to provide for the identified ongoing services which either cannot or will not be provided by the County and/~~-~~or other districts. ~~*(Delete if not appropriate- or modify as appropriate)*~~

~~*(Insert language concerning other major objectives e.g. regional cost sharing, if appropriate)*~~

In approving these Districts as a Conventional Representative Districts, it is also an objective of the County to maximize opportunities for full representative participation on the part of future eligible electors. However, because many of the critical financing decisions will be made prior to the existence of resident electors, it is the further intent of the County to accommodate and allow for reasonable and constructive ongoing notice to future property owners of the probable financial impacts associated with owning property within the Districts.

D. Multiple District Structure.

1. Multiple District Structure. Multiple Districts are being proposed for the Project in order to permit the provision of the Public Improvements according to the phasing and pace of development, as well as to promote equitable allocation of costs among properties within the Project.

Each District will be authorized to provide improvements and services, including but not limited to acquisition of completed improvements, to the property within and without their respective legal boundaries, as they may be amended from time to time. Debt may be issued by the Districts as appropriate to deliver the improvements and services to the property within the Project.

Due to the relationship between the Districts and the Project as a whole, various agreements are expected to be executed by one or more of the Districts clarifying the respective responsibilities and the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and facilities resulting in a community that is aesthetic and an economic asset to the County.

2. Benefits of Multiple District Structure. The use of a multiple district structure as described in this Service Plan serves the best interests of the County, the applicant~~(s)~~, and the future taxpayers within the Districts. The benefits of using the multiple district structure include: (a) coordinated administration of construction and operation of public improvements and delivery of those improvements in a timely manner; and (b) assurance that improvements required by the County are financed and constructed in a timely and cost-effective manner.

a. Coordinated Services. As presently planned, development of the Project will proceed in phases, which will require the extension of public services and facilities. The multiple district structure will assure that the construction and operation of each phase of Public Improvements will be administered consistent with a long-term construction and operations program.

b. Debt Allocation. Allocation of the responsibility for paying debt for capital improvements will be managed through development of a unified financing plan for these improvements and through development of an integrated operating plan for long-term operations and maintenance for those improvements that are not dedicated to and accepted by the County but retained by the Districts as appropriate. Intergovernmental agreements will help assure that no area within the Project becomes obligated for more than its share of the costs of capital improvements and operations. Neither high nor low-density areas will bear a disproportionate burden of debt and operating costs. Additionally, equity is also promoted due to the fact that there must be a rational relationship between the land that is subject to a district's mill levy and the improvements or services being funded.

E. Specific Purposes -Facilities and Services.

The Districts are authorized to provide the following facilities and services, both within and without the boundaries of the Districts as may be necessary:

~~*(Note: deletion of a category indicates the proposed district will not be authorized to provide that particular facility or service. For most Service Plans it is preferred that all purpose headings be listed along with text indicating the general extent to which the district is expected to be engaged in the particular purpose. For all listed services/purposes, please specify whether it is anticipated that the facility or service is actively expected to be financed or provided with the initial formation of the district or whether the purpose is being reserved for potential future use.)*~~

~~1. Water. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts or by another provider via Intergovernmental Agreement (IGA), and any unique clarifications as to purposes, all as applicable.)*~~

~~*(For those districts that are authorized to directly provide water services, please provide the following language:)*~~

~~The Districts (do/ do not) intend to join the Pikes Peak Regional Water Authority following formation.~~

~~2. Sanitation. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts or by another provider via Intergovernmental Agreement (IGA), and any unique clarifications as to purposes, all as applicable.)*~~

~~3. Street Improvements, Transportation and Safety Protection. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable.)*~~

~~4. Drainage. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable.)*~~

~~5. Parks and Recreation. *(Describe the general extent of improvements to be financed, whether improvements or land are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable.)*~~

1. Water. The Districts 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. The Districts shall have the power and authority to contract with other private or governmental entities to provide any or all of the services the Districts are authorized or empowered to provide. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction rules and regulations. It is anticipated that the Districts will construct or cause to be constructed the water infrastructure needed for the Project and will dedicate such infrastructure to the Falcon Area Water and Wastewater Authority for operation and maintenance.

2. Sanitation. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, assess tap or other facility fees, and provide for 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. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts will construct or cause to be constructed the sanitary sewer infrastructure needed for the Project and will dedicate such infrastructure to the Falcon Area Water and Wastewater Authority for operation and maintenance.

3. Street Improvements, Transportation and Safety Protection. The

Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for arterial and collector streets and roadway improvements, including, but not limited to, bridges, curbs, gutters, culvers, storm sewers and drainage facilities, 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 anticipated that the Districts will dedicate most of the foregoing street improvements, except underground utilities, to the County upon completion and, following acceptance by the County, the County will own, operate, and maintain such street improvements.

4. Drainage. The Districts 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, retaining walls, access way inlets, detention and retention ponds, paving, roadside swales, curbs and gutters, disposal works and facilities, water quality facilities, land and easements, together with extensions and improvements thereto. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts or the Falcon Area Water and Wastewater Authority will maintain drainageways, detention and water quality facilities, unless and until the County develops a stormwater maintenance district, division, or other entity.

5. Parks and Recreation. The Districts shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs, including, but not limited to, grading, soil preparation, landscaping, 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 all extensions and improvements thereto. To the extent necessary, the Districts shall dedicate any necessary improvements to one or more governmental entities that provide service ("Provider Jurisdiction") in accordance with the Provider Jurisdiction's rules and regulations. It is anticipated that the Districts will own, operate, and maintain the park and recreation improvements and facilities if not otherwise dedicated to another appropriate entity.

The Districts shall not have the authority to apply for or utilize any Conservation Trust ("Lottery") funds without the express prior consent of the Board of County Commissioners ~~and the _____. (*Include other pre-existing district authorized to provide park and recreation services, if applicable).*~~ . The Districts shall have the authority to apply for and receive any other grant funds, including, but not limited to, Great Outdoors Colorado (GOCO) discretionary grants. Such approval, although required, is not considered to be a material modification which would require the need to revise this Service Plan.

~~*(Include the above statement if applicable and appropriate)*~~

~~6. Mosquito Control. Provide~~ 6. Mosquito Control. The Districts shall have the power and authority to finance, design, construct, acquire, install, operate, maintain and provide for systems and methods for the eradication and control of mosquitoes, including but not limited to elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control. ~~*(Include this language for all districts unless there is a specific reason and justification not to).*~~

~~7. Fire Protection. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable, but noting direct provision of fire protection services will be precluded in most cases).*~~

~~8. Television Relay and Translation. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable).*~~

~~9. Covenant Enforcement and Design Review. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable).*~~

~~*(Address representation issues in connection with Control District structure)*~~

~~10. Security Services. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable).*~~

~~11. Solid Waste Disposal. *(Describe the general extent of improvements to be financed, whether these improvements are intended to be dedicated to another entity or maintained by the districts, any major off-site improvements anticipated to be financed, the extent to which this service will or will not be provided on an ongoing basis by the districts, and any unique clarifications as to purposes, all as applicable).*~~

7. Fire Protection. The Districts shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the applicable fire district. 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.

8. Television Relay and Translation. The Districts shall have the power and authority to finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities, with all necessary and incidental and appurtenant facilities, land and easements, together with extensions and improvements thereto.

9. Covenant Enforcement and Design Review. The Districts 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 it may be amended from time to time, which addresses covenant enforcement and design review services as additional powers of a metropolitan district under certain circumstances. It is anticipated that a homeowners association will provide covenant enforcement and design review services.

10. Security Services. The Districts shall have the power and authority to provide security services within the boundaries of the Districts, subject to the limitations set forth in C.R.S. § 32-1-1004(7), as it may be amended from time to time, which addresses security services as an additional power of a metropolitan district under certain circumstances. In no way is this power and authority intended to limit or supplant the responsibility and authority of local law enforcement (i.e., the El Paso County Sheriff's Department) within the boundaries of the Districts.

11. Solid Waste Disposal. The Districts have no plans to provide solid waste disposal services.

12. General. Because the overall development remains in its infancy, the specific services and potential overlapping service providers have yet to be determined. Based on current information, it is anticipated that the Districts will ultimately utilize other service providers to provide water, sanitary sewer, and fire protection services once the necessary improvements have been constructed. More information can be provided once determined and known. Further, to the extent any of the above-referenced facilities, improvements, and services are dedicated to and accepted by the County, the County shall own, operate, and maintain such accepted facilities and related improvements. The Districts shall be authorized to own, operate, and maintain any facilities, improvements, and appurtenances not otherwise dedicated to and accepted by any Provider Jurisdiction, subject to any applicable County rules and regulations.

F. Other Powers.

1. Amendments. The Districts shall have the power to amend this Service Plan as needed, subject to appropriate statutory procedures as set forth in Section 32-1-207, C.R.S. (See material modification).

2. Authority to Modify Implementation of Financing Plan and Public Infrastructure. Without amending this Service Plan, the Districts may defer, forego, reschedule or restructure the financing and construction of certain improvements and facilities, to better accommodate the pace of growth, resources availability, and potential inclusions of property within the Districts.

G. Other Statutory Powers.

The Districts may exercise such powers as are expressly or impliedly granted by Colorado law, if not otherwise limited by the Service Plan or its conditions of approval.

The Districts shall not adopt or enact an ordinance, resolution, rule or other regulation that prohibits or restricts an authorized permittee from carrying a concealed handgun in a building or specific area under the direct control or management of the District as provided in C.R.S. § 18-12-214.

H. Eminent Domain.

The Districts may exercise the power of eminent domain or dominant eminent domain only as necessary to further the clear public purposes of the Districts.

The power of eminent domain and/or dominant eminent domain shall be limited to the acquisition of property that the applicable Districts intends to own, control or maintain by the applicable or other governmental entity and is for the material use or benefit of the general public. The term "material use or benefit for the general public" shall not include the acquisition of property for the furtherance of an economic development plan, nor shall it include as a purpose an intent to convey such property or to make such property available to a private entity for economic development purposes. The phrase "furtherance of an economic development plan" does not include condemnation of property to facilitate public infrastructure that is necessary for the development of the Project.

~~*(Delete the prior paragraphs, and replace with a pre-emption of eminent domain powers in the event the Service Plan does not authorize the use of eminent domain)*~~

I. Intergovernmental Agreements (IGAs).

The Districts are authorized to enter into IGAs to the extent permissible by law. As of the date of approval of this Service Plan, and as noted below, the Districts intend to enter into an intergovernmental agreement which shall govern the relationships between the Districts with respect to the financing, construction, and operation of the ~~following IGAs are anticipated *(complete as appropriate*~~Public Improvements contemplated herein. The Districts will establish a mechanism whereby any one or ~~*delete if none presently planned).*~~more the Districts may separately or cooperatively fund, construct, install, and operate the improvements. As noted earlier, the multiple district structure fits within an intended multiple phase development plan. The phasing of development will allow for more efficient financing for the overall project. The Districts may also enter into an IGA with Sterling Ranch Metropolitan District No. 3 to govern the responsibilities with respect to operations and maintenance functions and ownership of Public Improvements. The Districts also anticipate entering into an IGA with Falcon Area Water and Wastewater Authority to govern the responsibilities with respect to water and sanitary sewer services as well as possible drainage and stormwater services.

J. Description Of Proposed Boundaries And Service Area.

1. Initial District Boundaries. A vicinity map showing the general location of the area that may be served by the Districts is included as Exhibit A.1. A map of the initially included properties is included at Exhibit A.2, with a legal description of boundaries found at Exhibit A.5.

2. Additional Inclusion Areas/Boundary Adjustments. Additional inclusion areas ~~(~~are~~/are not)~~ anticipated in addition to the initially included properties. ~~–~~These additional inclusion areas are found at Exhibit A.3 ~~*(describe any anticipated future inclusion and delete this sentence if not applicable).*~~ , which includes a forty-acre parcel. The Districts shall be authorized to include territory within the Additional Inclusion Area in accordance with applicable provisions of the Special District Act. Further, in order to accommodate the needs of Project phasing and other contingencies, the boundaries of the Districts may be adjusted via the inclusion or exclusion within the combined area of the Initial District Boundaries and the Additional Inclusion Areas in accordance with the applicable provisions of the Special District Act.

Notwithstanding the foregoing, the Districts are prohibited from including additional property within the District's boundaries if the property is within the corporate limits of the City of Colorado Springs without express prior consent of the City of Colorado Springs City Council.

Notwithstanding the foregoing, the Districts are prohibited from including additional property within the Districts' boundaries if the property is within the corporate limits of the Town of Monument without express prior consent of the Town of Monument Board of Trustees.

3. Extraterritorial Service Areas. The Districts ~~(do/~~do not~~)~~ anticipate providing services to areas outside of the Initial District Boundaries and Additional Inclusion Areas. ~~These areas are depicted at Exhibit A.4. *(Describe any potential service areas as applicable; delete the prior sentence if there is no intent to provide extraterritorial service) (In the event the option of providing external services is an undetermined potential, reserve that option here)*~~

~~4. Analysis Of Alternatives. *(Provide justification for creating this number of new metropolitan districts which specifically includes consideration of any practical alternatives for inclusion in one or more existing districts and/or reliance on private financing and/or other reasonable alternatives as may be available).*~~

4. Analysis Of Alternatives. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The Districts intend to enter into an intergovernmental agreement which shall govern the relationships between the Districts with respect to the financing, construction, and operation of the Public Improvements contemplated herein. The multiple district structure will support the phased development of the Project and the intergovernmental agreement between the Districts will establish a mechanism whereby either or both of the Districts may separately or cooperatively fund, construct, install, and operate the Public Improvements.

5. Material Modifications/Service Plan Amendment. Material modifications of this Service Plan shall, at a minimum, trigger the need for prior approval of the Board of County Commissioners at an advertised public hearing and may require a need for a complete re-submittal of an amended Service Plan along with a hearing before the County's Planning Commission. For the

purpose of this Service Plan the following changes shall be considered material modifications:

a. Any change in the basic services provided by the Districts, including the addition of any types of services not authorized by this Service Plan.

b. Any other matter which is now, or may in the future, be described as a material modification by the Special District Act.

c. Imposition of a mill levy in excess of any of the Maximum Mill Levies as authorized in this approved Service Plan.

d. Issuance of Debt in excess of the Maximum Debt Authorization authorized in this Service Plan

e. Issuance of any Debt with a maturity period of greater than thirty (30) years, from the date of issuance of such Debt.

f. Creation of any sub-districts as contemplated in the Special District Act. ~~*(Remove if separate discussion of planned sub-districts is included in Service Plan)*~~

g. Inclusion into any District of any property over five (5) miles from the combined area of the Initial District Boundaries and the property described in Exhibit A.3 unless explicitly contemplated in this Service Plan.

~~h. *(Other limits as may be stipulated to by the applicant and/or required by the Board of County Commissioners).*~~

IV. DEVELOPMENT ANALYSIS

A. Existing Developed Conditions.

~~*(A description of the existing developed conditions within the proposed Initial District Boundaries, Additional Inclusion Areas and proposed additional service area as applicable).*~~

At the present time, there are no public improvements within the boundaries of the Districts and there is no population.

B. Total Development At Project Buildout.

At complete Project build-out, development within the Districts is planned to consist of ~~*(describe in terms of total number of dwelling units, by type if applicable and include projected square footage of non- residential development)* the prices of~~ approximately 45 single family homes ~~in the project are expected to~~ with an average ~~between $____ and $_____~~value of $1,250,000, 5 single family homes with an average value of $850,000, 321 single family homes with an average value of $800,000, 142 single family homes with an average value of $700,000, 238 single

family homes with an average value of $675,000, and 851 single family homes with an average value of $650,000, all in year 20__2022 dollars. The total estimated population of the Districts upon completion of development is _____.4,020 people (1,608 units x 2.5 persons per residential unit). The rate of absorption is a projection based on information from the Developer and is used for estimating the financial plan. There is no way to accurately predict absorption due to variables such as the economic factors, housing demand, land-use approval timing, building supply chains, and labor availability. In view of these factors, the bond underwriter projects the potential ability of the Districts to discharge the proposed debt per the statutory requirement. If absorption is delayed or accelerated, the bond issuance parameters will reflect those changes at the time of issuance.

C. Development Phasing And Absorption.

Absorption of the projectresidential units is projected to take ____six years, beginning in ____ (year)2027 and ending in ____ (year)2033 and is further described in the Development Summary Table found at Exhibit B.

The proposed special district District No. 4 would assess a __50 mill debt service levy on assessed properties in the districtDistrict No. 4 from 20__-20__.2028-2067 and District No. 5 would assess a 50 mill debt service levy on assessed properties in District No. 5 from 2031-2070. Over the ____ *(life of the mill levy)*40 years, the effect of collecting property taxes for the districtDistricts will decrease El Paso County's Specific Ownership Taxes (SOT) by an average of $_____$602,924.95 a year. In

For District No. 4, in year 1 (____),(2028), EPC SOT collections will be reduced by approximately $___$7,685 and growing to $____$164,834 at completion of the project in ___ (year __).2031. During the same time period, El Paso County's property taxes are expected to grow approximately $14,030 in 2028 to $1,072,513.35 in 2067. For District No. 5, in year 1 (2030), EPC SOT collections will be reduced by approximately $0 and growing to $88,873 at completion of the project in 2033. During the same time period, El Paso County's property taxes are expected to grow approximately $___$0 in 20__2030 to $____$829,244 in year __. 2070. Over the ____-40-year course of the project, (2028-2067 for District No. 4 and 2031-2070 for District No. 5), we estimate total SOT collections will be reduced by $___$13,766,646 while property tax collections should increase by $_____.$44,163,916.

D. Status of Underlying Land Use Approvals.

(Summarize the status of underlying land use approvals, e.g. Sketch Plan and/or zoning and/or subdivision approvals and relationship of current or anticipated approvals to this Service Plan)

(Provide unique justification for creation of the districts in advance of underlying land use approvals, if applicable)

The property within the Districts' boundaries is currently zoned RR-5. The Developer anticipates obtaining PUD zoning for the property within the Districts. The Districts shall be prohibited from issuing Debt until the County approves a preliminary plan for the Project.

V. INFRASTRUCTURE SUMMARY

Attached as Exhibit C is summary of the estimated costs of Public Improvements which are anticipated to be required within the Districts. A general description of the categories of Public Improvements is included in Section III.D. of this Service Plan. –The total costs of the Public Improvement are estimated to be approximately ~~$_____~~,$140,000,000, in year ~~20___~~2022 dollars. It is estimated that the Districts will finance approximately ~~$_____~~$136,000,000 (or ~~___%)~~approximately 97%) of this estimated amount, but the amount ultimately financed by the Districts will be subject to the Maximum Authorized Debt limit. It should be noted, though, the foregoing costs and financing estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous factors, many of which are out of the Developer's control. In particular, these initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) will be significantly higher and will materially increase the overall costs.

All Public Improvements will be designed and constructed in accordance with the standards of the governmental entity to which such Public Improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable National Pollutant Discharge Elimination System standards), and otherwise in accordance with applicable El Paso County standards. The composition of specific Public Improvements will be determined in connection with applicable future land use and development approvals required by El Paso County rules and regulations.

VI. FINANCIAL PLAN SUMMARY.

A. Financial Plan Assumptions and Debt Capacity Model.

Attached at Exhibit D is a summary of development assumptions, projected assessed valuation, description of revenue sources (including applicable mill levies and fees) and expenses for both operations and debt service, and an overall debt capacity model associated with projected future development of the Project. The model demonstrates that the Districts are capable of providing sufficient and economic service within the Project, and that the Districts have or will have the financial ability to discharge the Districts' Debt on a reasonable basis. The financial model attached as Exhibit D is an example of the manner in which the Districts may finance the Public Improvements. The specific structure for financing the Public Improvements shall be determined in the discretion of the Boards of Directors of the Districts, subject to the limitations set forth in this Service Plan.

B. Maximum Authorized Debt.

~~The Districts are authorized to issue Debt up to $_____ million in principal amount (total combined for all Districts). (*Briefly justify the stated debt limit amount*).~~

The Districts are authorized to issue Debt up to $150,000,000 in principal amount (total combined for all Districts). The debt issuance authorization is based upon the proposed completion of an estimated $140,000,000 of Public Improvements, including, but not limited to, street, water, sanitary sewer, drainage, and park and recreation improvements. The cost estimates are preliminary in nature and the ultimate costs may increase or decrease depending on numerous

factors, many of which are out of the Developer's control. In particular, the initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) may be significantly higher and will likely materially increase the overall development costs.

C. Maximum Mill Levies.

1. Maximum Debt Service Mill Levy. The Maximum Debt Service Mill Levy shall be fifty (50) mills~~.~~, subject to Assessment Rate Adjustment. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

2. Maximum Operational Mill Levy. The Maximum Operational Mill Levy Cap for each District shall be fifteen (15) mills, subject to Assessment Rate Adjustment.

~~3. Maximum Special Purpose Mill Levy. The Maximum Special Purpose Mill Levy for each District is __ (__) Mills.~~

4. Maximum Combined Mill Levy. The Maximum Combined Mill Levy for each District is ~~___ Mills~~sixty-five (65) mills, subject to Assessment Rate Adjustment.

D. Maximum Maturity Period For Debt.

The period of maturity for issuance of any Debt (but not including Developer Funding Agreements) shall be limited to no more than thirty (30) years without express, prior approval of the Board of County Commissioners. However, the Districts are specifically authorized to refund or restructure existing Debt so long as the period of maturity for the refunding or restructured Debt is no greater than 30 years from the date of the issuance thereof.

E. Developer Funding Agreements.

The Developer ~~(does/does not) intend~~intends to enter into Developer Funding Agreements with the Districts in addition to recovery of the eligible costs associated with creation of the Districts. It is anticipated that in the formative years the Districts will have shortfalls in funding its capital costs and monthly operations and maintenance expenses. The Developer may fund these obligations for the Districts to promote the Project's development subject to the Developer being repaid from future District revenues.

~~*(Describe any intended agreements including reimbursement agreements; include the following language if applicable)*~~

Developer Funding Agreements may allow for the earning of simple interest thereon, but under no circumstances shall any such agreement permit the compounding of interest. The Developer Funding Agreements may permit an interest rate that does not exceed the prime interest rate plus two points thereon.

The maximum term for repayment of a Developer Funding Agreement shall be twenty (20) years from the date the District entering into such agreement becomes obligated to repay the Developer Funding Agreement under the associated contractual obligation. For the purpose of this provision, Developer Funding Agreements are considered repaid once the obligations are fully paid in cash or when converted to bonded indebtedness of the applicable District (including privately placed bonds). Any extension of such term is considered a material modification and must be approved by the Board of County Commissioners.

Required disclosure notices shall clearly identify the potential for the Districts to enter into obligations associated with Developer Funding Agreements.

F. Privately Placed Debt Limitation.

Prior to the issuance of any privately placed Debt, the District proposing such issuance shall obtain the certification of an External Financial Advisor substantially as follows: We are [I am] an External Financial Advisor within the meaning of this 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.

G. Revenue Obligations. The Districts shall also be permitted to issue Revenue Obligations in such amount as the Districts may determine. Amounts issued as Revenue Obligations are not subject to the Maximum Debt Authorization.

VII. OVERLAPPING TAXING ENTITIES, NEIGHBORING JURISDICTIONS

A. Overlapping Taxing Entities.

The directly overlapping taxing entities and their respective year 2022 mill levies are as follows:

El Paso County	7.120 mills
El Paso County Road and Bridge	0.330 mills
School District No. 49	44.111 mills
Pikes Peak Library District (if applicable)	3.490 mills
Black Forest Fire Protection District	14.500 mills
~~*(Others, as applicable)*~~	
El Paso County Conservation	0.000 mills

Total Existing Mill Levy: 69.551 mills

The total mill levy including the initially proposed District's mill levy is 134.551 mills.

~~Anticipated relationships and impacts to these entities *(discuss any applicable impacts, service overlaps or interrelationships).*~~

*A portion of the property within the boundaries of District No. 5 is included in School District No. 20 instead of School District No. 49, and School District No. 20 has a mill levy of 56.507 mills. A portion of the property within the boundaries of District No. 5 is also included in the boundaries of Sterling Ranch Metropolitan District No. 2, however, it is anticipated that the property owner, Classic SRJ Land LLC, will petition to exclude the property from such district.

It is not anticipated that there will be any significant financial impacts to these entities.

B. Neighboring Jurisdictions.

The following additional taxing and or service providing entities include territory within three (3) miles of the Initial District Boundaries~~. *(Add list)*~~ (based on information provided by the El Paso County Assessor's Office):

EL PASO COUNTY
CITY OF COLORADO SPRINGS
PAINT BRUSH HILLS METROPOLITAN DISTRICT
ACADEMY SCHOOL NO. 20
EL PASO COUNTY SCHOOL NO. 49
PIKES PEAK LIBRARY
BLACK FOREST FIRE PROTECTION
FALCON FIRE PROTECTION
PARK FOREST WATER DISTRICT
UPPER BLACK SQUIRREL CREEK GROUND WATER MANAGEMENT DISTRICT
SOUTHEASTERN COLORADO WATER CONSERVANCY
WESTMOOR WATER & SANITATION
WOODMEN HILLS METROPOLITAN DISTRICT
EL PASO COUNTY CONSERVATION DISTRICT
CENTRAL COLORADO CONSERVANCY
KIOWA CONSERVATION DISTRICT
MERIDIAN RANCH METROPOLITAN DISTRICT
MERIDIAN SERVICE METROPOLITAN DISTRICT
STETSON RIDGE METROPOLITAN DISTRICT NOS. 2 & 3
WOODMEN ROAD METROPOLITAN DISTRICT
FALCON HIGHLANDS METROPOLITAN DISTRICT
UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT
OLD RANCH METROPOLITAN DISTRICT
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1-3
BLACK FOREST FIRE PROTECTION DISTRICT
BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1-5, 8-11

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NOS. 1 & 2
UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NOS. 2-5
BENT GRASS METROPOLITAN DISTRICT
THE SANCTUARY METROPOLITAN DISTRICT
DUBLIN NORTH METROPOLITAN DISTRICT NO. 1
STERLING RANCH METROPOLITAN DISTRICT NOS. 1-3
EL PASO COUNTY PID NO. 2
EL PASO COUNTY PID NO. 3
PAINT BRUSH HILLS METROPOLITAN DISTRICT – SUBDISTRICT A
MOUNTAIN VALLEY METROPOLITAN DISTRICT
MERIDIAN RANCH METROPOLITAN DISTRICT – 2018 SUBDISTRICT
MW RETAIL BUSINESS IMPROVEMENT DISTRICT
THE RETREAT METROPOLITAN DISTRICT NOS. 1 & 2
FALCON FIELD METROPOLITAN DISTRICT
NORTH MEADOW METROPOLITAN DISTRICT NOS. 1-5
THE RANCH METROPOLITAN DISTRICT NOS. 1-4
FREESTYLE METROPOLITAN DISTRICT NO. 2

Anticipated relationships and impacts to these entities ~~(*discuss*~~: As noted previously the Developer and the Districts intend to work with any ~~*applicable impacts*~~,overlapping service ~~*overlaps*~~ providers to obtain the necessary consents and/or ~~*interrelationships)*~~.approvals for the provision of necessary services to the Districts, including, but not limited to, water, sanitary sewer, and fire protection services.

VIII. DISSOLUTION

A. Dissolution. Upon an independent determination of the Board of County Commissioners that the purposes for which a particular District was created have been accomplished, such District agrees to file a petition in the appropriate District Court for dissolution, 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.

B. Administrative Dissolution. The Districts shall be subject to administrative dissolution by the Division of Local Government as set forth in Section 32-1-710, C.R.S.

IX. COMPLIANCE

A. An Annual Report and Disclosure Form will be required and submitted as described in C.R.S. § 32-1-207(3)(d) and as further articulated by Board of County Commissioners Resolution No. 06-472, as may be amended (a single report may be issued for all the Districts).

B. Material Modifications of this Service Plan shall be subject to the provisions contained in Section 32-1-207, C.R.S., relating to approvals and notices thereof.

X. MISCELLANEOUS.

The following is additional information to further explain the functions of the Districts:

A. Special District Act.

The contemplated municipal services are under the jurisdiction of the Special District Act and not the Public Utilities Commission.

B. Disclosure to Prospective Purchasers.

After formation of the Districts, and in conjunction with final platting of any properties within a particular District, the applicable Board of Directors of the District shall prepare a notice acceptable to the Planning and Community Development Department Staff informing all purchasers of property within the District of the District's existence, purpose and debt, taxing, and other revenue-raising powers and limitations. Such notice obligation shall be deemed satisfied by recording the notice with this Service Plan and each final plat associated with the Project, or by such other means as the Planning and Community Development Department approves. Such notice shall be modified to address the potential for future Debt issuance which may be required to meet the obligations associated with loans incurred by the District. In conjunction with subsequent plat recordings, Planning and Community Development Department staff is authorized to administratively approve updates of the disclosure form to reflect current information.

C. Local Improvements.

Prior to the financing of Local Public Improvements, and if required by County policy uniformly applied, agreements shall be in place to prevent a loss of sales tax revenue from sales of construction materials that would otherwise accrue to the County.

D. Service Plan not a Contract.

The grant of authority contained in this Service Plan does not constitute the agreement or binding commitment of the Districts enforceable by third parties to undertake the activities described, or to undertake such activities exactly as described.

E. Land Use and Development Approvals.

Approval of this Service Plan does not imply approval of the development of a specific area within the Project, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto. All such land use and development approvals shall be processed and obtained in accordance with applicable El Paso County rules, regulations and policies.

XI. CONCLUSION

It is submitted that this Service Plan for the Districts establishes that:

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

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

C. The proposed Districts are capable of providing economical and sufficient service to the Project.

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

E. Adequate service is not, and will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

F. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the County.

G. The proposal is in substantial compliance with the applicable elements of the El Paso County Master Plan, including but not limited to Your El Paso Master Plan (2021), the El Paso County Water Master Plan (2018), the El Paso County Parks Master Plan (2013), the El Paso County Major Transportation Corridors Plan, and with these Special District Policies.
.

H. The creation of the proposed Districts is in the best interests of the area proposed to be served.

EXHIBIT A

MAPS AND LEGAL DESCRIPTIONS

EXHIBIT B

DEVELOPMENT SUMMARY

~~Include applicable narrative or tabular summary of projected development by type, including number of units of residential, commercial/retail square footage and expected absorption.~~
~~Include a descriptive synopsis of the location, land uses, acreage and total proposed dwelling units and/or commercial square footage of the project.~~

The Districts are located southeast of the intersection of Vollmer Road and Arroya Lane in El Paso County. District No. 4 is anticipated to consist of approximately 281 acres and District No. 5 is anticipated to consist of approximately 300 acres. The property within the Districts' boundaries is anticipated to consist of approximately 45 single family homes with an average value of $1,250,000, 5 single family homes with an average value of $850,000, 321 single family homes with an average value of $800,000, 142 single family homes with an average value of $700,000, 238 single family homes with an average value of $675,000, and 851 single family homes with an average value of $650,000 in year 2022 dollars. It is anticipated that construction will begin in 2027 and the project will be completely developed at the end of 2033. The number of anticipated homes and estimated values remain estimates and may be altered depending on the final outcome of the development approval process. Further, the rate of absorption is a projection based on information from the Developer and is used for estimating the Financial Plan. There is no way to accurately predict absorption due to variables such as economic factors, housing demand, land-use approval timing, building supply chains, and labor availability. In view of these factors, the bond underwriter projects the potential ability of the Districts to discharge the proposed debt per the statutory requirement. If absorption is delayed or accelerated, the bond issuance parameters will reflect those changes at the time of issuance. As noted in the Financial Plan contained in **Exhibit D**, it is currently estimated that for District No. 4, 103 units will be added in 2027, 300 units will be added in 2028 and in 2029, 287 units will be added in 2030, and 20 units will be added in 2031; and for District No. 5, 280 units will be added in 2031, 278 units will be added in 2032, and 40 units will be added in 2033.

Regarding public improvements, overall costs of approximately $140,000,000 are currently anticipated, as outlined in **Exhibit C**. The public improvements the Districts are anticipated to finance and construct or cause to be constructed include, but are not limited to, roadway, water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements (including access roads and wetland mitigation). As noted in the Service Plan, the cost estimates remain preliminary in nature and the ultimate costs may be altered depending on numerous factors, many of which are out of the Developer's control. In particular, the initial cost estimates only include the public improvement portion of costs and the total project improvement costs (including items such as dry utilities, etc.) could be significantly higher which would result in a material increase in the overall development costs. The infrastructure and financing plan will be adjusted accordingly if there are delays in the build-out.

EXHIBIT C

ESTIMATED INFRASTRUCTURE CAPITAL COSTS

~~Include tabular summary of estimated infrastructure costs by category (e.g., streets, water, sewer, park/open space/landscaping, etc.)~~

~~Include, as applicable, estimated costs of acquiring land, engineering services, and other related costs (per Special District Act).~~

EXHIBIT D

FINANCIAL PLAN SUMMARY

~~Financial Plan Summary must contain:~~

~~Statement of Assumptions Contained in Plan~~

~~Assessed Value Projections~~

~~Revenue Projections by type of revenue (e.g. Debt Service Mill Levy, Operations Mill Levy, Special Purpose Mill Levy, Non Tax Revenue (e.g. fees and charges), and developer advances~~

~~Proposed operating revenue in first budget year, and other major expenses relating to the organization and initial operations of the Districts (e.g., legal, administrative, etc.) (per Special District Act)~~

~~Schedule of proposed debt issuance (both general obligation and revenue based), including interest rates and discounts (per Special District Act)~~

EXHIBIT E

ANNUAL REPORT AND DISCLOSURE FORM
(Sample attached)

EL PASO COUNTY SPECIAL DISTRICTS
ANNUAL REPORT and DISCLOSURE FORM

1. Name of ~~District(s):~~Districts:	Sterling Ranch Metropolitan District Nos. 4 & 5
2. Report for Calendar Year:	2023
3. Contact Information	Spencer Fane LLP Attention: Russell Dykstra 1700 Lincoln Street, Suite 2000 Denver, Colorado 80203 Phone: 303-839-3800 Email: rdykstra@spencerfane.com
4. Meeting Information	Meeting information can be found by contacting the contact person listed above.
5. Type of District(s)/ Unique Representational Issues (if any)	Colorado Revised Statutes Title 32 Metropolitan District
6. Authorized Purposes of the ~~District(s)~~Districts	The Service Plan authorizes all permissible purposes as allowed under Colorado Revised Statutes Title 32
7. Active Purposes of the ~~District(s)~~Districts	Proposed design, construction, and completion of an estimated $140,000,000 of on and off-site public improvements, including, but not limited to, roadway, water, sanitary sewer, drainage, park and recreation, and Sand Creek Channel improvements (including access roads and wetland mitigation)
8. Current Certified Mill Levies a. Debt Service b. Operational c. ~~Other~~ ~~d.~~ Total	a. 50 mills (subject to adjustment) b. 15 mills (subject to adjustment) c. 65 mills (subject to adjustment)
9. Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable).	Assume a residential property with a value of $700,000 x 6.95% = $48,650 (assessed value); $48,650 x 0.065 = $3,162.25 taxes per year due to the District
10. Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals) a. Debt Service	a. 50 mills (subject to adjustment) b. 15 mills (subject to adjustment) c. 65 mills (subject to adjustment

b. Operational c. ~~Other~~ ~~d.~~ Total	
11. Sample Calculation of Mill Levy Cap for a Residential and Commercial Property (as applicable).	See #9 above
12. Current Outstanding Debt of the Districts (as of the end of year of this report)	N/A
13. Total voter-authorized debt of the Districts (including current debt)	N/A
14. Debt proposed to be issued, reissued or otherwise obligated in the coming year.	N/A
15. Major facilities/ infrastructure improvements initiated or completed in the prior year	N/A
16. Summary of major property exclusion or inclusion activities in the past year.	N/A

Reminder:

A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.

Name and Title of Respondent

Signature of Respondent Date

RETURN COMPLETED FORM TO: El Paso County Board of County Commissioners
Attention: Clerk to the Board
1675 W. Garden of the Gods Road, Suite 2201,
Colorado Springs, CO 80907

****NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 1675 W. Garden of the Gods Road, Suite 2300, Colorado Springs, CO 80907

County Treasurer - 1675 W. Garden of the Gods Road, Suite 2100, Colorado Springs, CO 80907