

**SECOND AMENDMENT TO
AMENDED AND RESTATED SERVICE PLAN FOR
THE CANYONS METROPOLITAN DISTRICT NO. 4**

AND

**CONSOLIDATED SERVICE PLAN FOR
THE CANYONS METROPOLITAN DISTRICT NOS. 5-7**

CITY OF CASTLE PINES, COLORADO

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As approved by the City of Castle Pines
on

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I. INTRODUCTION

The Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-11 (the “**Service Plan**”) was approved by the City Council for the City of Castle Pines, Colorado (the “**City**”) on October 22, 2009.

The First Amendment to the Service Plan (the “**First Amendment**”) was approved by the City Council for the City on December 8, 2015.

At the time the City approved the First Amendment, it was anticipated that the metropolitan districts serving “The Canyons” project, including The Canyons Metropolitan District Nos. 4-7 (each a “**District**” and collectively, the “**Districts**”) would own, operate and maintain park and recreation improvements, (including but not limited to, recreation facilities, parks and trails), tract landscaping improvements, streetscape landscaping, drainage improvements, (including detention and retention ponds, trickle channels), and other related improvements.

In an effort to reduce duplication, overlapping, and fragmentation of the functions and facilities of special districts, increase efficiency of operation and reduce costs, the City now desires to own, operate and maintain certain public improvements within and benefitting the Districts, including, but not limited to, streets, sidewalks, landscape tracts, parks, trails, opens space, and drainage improvements (the “**City Maintained Improvements**”). This Second Amendment provides authorization for the Districts to impose the City Operations Mill Levy (as defined below) to be used by the City to fund all or a portion of the costs related to the upkeep, operation, maintenance, repair and replacement of City Maintained Improvements.

This Second Amendment also clarifies the Districts’ ability to increase or decrease their operating mill levy in the event there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement, so that to the extent possible, the actual tax revenues generated by such mill levy are neither diminished nor enhances as a result of such changes,

II. AMENDMENTS

1. The definition of “Maximum Mill Levy” of Section II. of the Service Plan is hereby amended and restated as follows:

Maximum Mill Levy: means a total combined Maximum Debt Mill Levy and mill levy imposed for operational or administrative purposes of sixty-nine (69) mills, provided that if, on or after January 1, 2009, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the Maximum Mill Levy may be increased or decreased to reflect such changes, such increases or 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 mill levy, as adjusted for changes occurring after January 1, 2009, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation

shall be deemed to be a change in the method of calculating assessed valuation. Notwithstanding the foregoing, nothing shall prevent the Districts from imposing a mill levy in excess of the Maximum Mill Levy where such mill levies are imposed to repay Debt that that is equal to or less than fifty percent (50%) of the District's assessed valuation in accordance with Section VI.D.2. herein.

2. Section XII is hereby added to the Service Plan:

XII. CITY OPERATIONS MILL LEVY

A. Definition. “City Operations Mill Levy” means a mill levy to be levied by the Districts and remitted to the City to be used by the City for the upkeep, operation, maintenance, repair and replacement of City Maintained Improvements, as set forth in one or more intergovernmental agreement(s) entered into between the City and one or more of the Districts (the “**City Operations Mill Levy IGA**”). The City Operations Mill Levy shall be subject to the Maximum Mill Levy.

B. City Operations Mill Levy. Each of the Districts shall impose, collect and remit the City Operations Mill Levy in accordance with the City Operations Mill Levy IGA. The City Operations Mill Levy may only be imposed by one District in the event the boundaries of any Districts overlap those of any other District. In the case of overlapping District boundaries, the City Operations Mill Levy IGA will address which District is required to impose and collect the City Operations Mill Levy. Failure to impose, collect or remit the City Operations Mill Levy as required in the City Operations Mill Levy IGA shall be deemed a material modification of this Service Plan requiring a service plan amendment.

3. Except as specifically amended as set forth above, all other provisions of the Service Plan and First Amendment shall remain in full force and effect.