

**SECOND MODIFICATION OF SERVICE PLAN
FOR
MIDCITIES METROPOLITAN DISTRICT NO. 2
(TAX DISTRICT)**

October 9, 2001

This Second Modification dated October 9, 2001 ("Second Modification") of the Service Plan dated August 13, 1998, as amended by the First Modification of Service Plan dated December 12, 2000 ("Service Plan") for MidCities Metropolitan District No. 2 ("Tax District"), is made to implement the terms of the Amended and Restated Master Development and Reimbursement Agreement dated as of December 29, 2000 as amended on October 9, 2001 ("Amended Reimbursement Agreement") between and among the City of Broomfield, Colorado ("City"), the Service District, and Coalton Acres, LLC ("Owner"), the developer of the MidCities development.

Except as expressly modified herein, all terms, conditions and provisions of the Service Plan shall be and remain in full force and effect. If any term is capitalized in this Second Modification but not defined herein, it shall have the meaning set forth in the Service Plan or the Amended Reimbursement Agreement.

SECTION III.C of the Service Plan is amended as follows:

The estimated costs of the public infrastructure to be constructed, installed and/or acquired by the Service District within or without the Development, including all inclusions of additional property into the Tax District, are \$27,194,651 as shown in Table 2 (as revised) attached hereto. The estimated costs of the public infrastructure to be constructed, installed, and/or acquired by the Service District or Sub-District within the Sub-District area are \$12,181,589 as shown in Table 3 (as revised) attached hereto.

Section VII of the Service Plan is amended as follows:

The Districts may, in their discretion, issue Additional Debt in the approximate amount of \$22,350,000, including general obligation limited tax bonds of the Tax District in the approximate amount of \$10,000,000 ("Series 2000 Bonds") and \$6,000,000 ("Series 2001A Bonds") and limited tax revenue bonds of the Service District in the approximate amount of \$6,350,000 accreting at a rate of 8.99% to an amount not greater than \$8,225,000 ("Series 2001B Bonds"), (i) to finance the acquisition, construction and completion of public infrastructure within the Tax District and within the Sub-District area, including the Additional Public Improvements specified under the Amended Reimbursement Agreement, (ii) to refund any portion of the Metro Debt, and (iii) to pay capitalized interest and costs of issuance on the Metro Debt.

Before any new Additional Debt is incurred by the Districts, the Service District shall prepare a consolidated Revised Financing Plan (including all Additional Debt) acceptable to the City, which shows how all services and facilities may be economically financed and operated by

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Received Time Feb. 11 8:59AM

the Districts. The Revised Financing Plan may provide that the 2000 Bonds, the Series 2001A Bonds, and the Series 2001B Bonds will be repaid, in whole or part, from the Mill Levy of the Tax District. After approval of the Revised Financing Plan by the City Manager and City Attorney (or any other officer or employee designated by the City), the Districts shall have the authority to have outstanding general or limited tax obligation bonds or indebtedness, revenue bonds or debt, and other multiple fiscal year obligations in an amount not to exceed \$56,300,000 consistent with the provisions of the Revised Financing Plan, without the need to seek approval of the City for any modification of the Service Plan. The application of the Additional Debt shall be as set forth in Exhibits C, F and H of the Amended Reimbursement Agreement or as otherwise approved by the City. The Revised Financing Plan shall be attached as Exhibit H of the Service Plan and the Second Modification.

SECTION IX of the Service Plan is amended as follows:

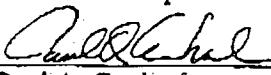
It is submitted that the Service Plan for the Service District as modified by the Second Modification complies with all provisions of the Act and establishes that:

- a) There is sufficient existing and projected need for organized service in the area to be served by the District;
- b) The existing service in the area to be served by the District is inadequate for present and projected needs;
- c) The District is capable of providing economical and sufficient service to the area within its boundaries (and within the service area); and
- d) The area included within the District (and within its service area) does have, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

Therefore, it is requested that the City Council of the City of Broomfield, Colorado, which has jurisdiction to approve the Service Plan and any modification thereto pursuant to Section 32-1-204.5, C.R.S., adopt a resolution of approval of the Second Modification of the Service Plan for the Service District.

Respectfully submitted,

COLLINS COCKREL & COLE
a professional corporation

By 
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Metropolitan District No. 2