

**THIRD MODIFICATION OF SERVICE PLAN
FOR
MIDCITIES METROPOLITAN DISTRICT NO. 2
(TAX DISTRICT)
JUNE 27, 2006**

This Third Modification dated June 27, 2006 ("Third Modification") of the Service Plan dated August 13, 1998, as amended by the First Modification of Service Plan dated December 12, 2000 and the Second Modification of Service Plan dated October 9, 2001 (together, the "Service Plan") for the MidCities Metropolitan District No. 2 ("Tax District") is made (i) to authorize the Tax District and the MidCities Metropolitan District No. 1 ("Service District", and together with the Tax District, the "Districts") to issue bonds and incur indebtedness for the acquisition, construction and completion of land and public improvements in an aggregate principal amount not to exceed approximately \$75,690,000 and (ii) to approve corresponding amendments of the Service Plan and the Intergovernmental Agreement dated December 15, 1998, as amended by the First Amendment of Intergovernmental Agreement dated December 12, 2000 and the Second Amendment of Intergovernmental Agreement dated October 9, 2001 (together, the "Intergovernmental Agreement") among the City and County of Broomfield, Colorado ("City") and the Districts.

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

Section VII of the Service Plan is amended as follows:

1. The Tax District is authorized to issue its Series 2006 General Obligation Refunding and Improvement Bonds (the "Series 2006 Bonds") in the approximate principal amount of \$24,655,000 for the purposes of (i) refunding its outstanding Series 2000 General Obligation limited Tax Bonds (the "Series 2000 Bonds") in the original principal amount of \$10,000,000 and its Series 2001A General Obligation Limited Tax Bonds (the "Series 2001A Bonds", and together with the Series 2000 Bonds, the "Refunded Bonds") in the original principal amount of \$16,000,000, (ii) acquiring, constructing and completing certain land and public improvements within the Districts at a cost of approximately \$5,580,000, and (iii) paying costs of issuance and capitalized interest in connection therewith in accordance with a bond financing plan acceptable to the City as approved by the City Manager and City Attorney.

2. The Districts are authorized to issue bonds and incur indebtedness in an aggregate principal amount not to exceed \$75,690,000, including the Service District's Series 2004A and B Special Revenue Variable Rate Refunding and Improvement Bonds

(the "Series 2004 Bonds") in the original principal amount of \$49,190,000 and the Tax District's Series 2006 Bonds.

3. Any provision of the Service Plan notwithstanding, the Series 2006 Bonds and any bonds issued by the Service District or Tax District after June 27, 2006 may be issued in the form of general obligation bonds secured by a mill levy without limitation as to rate, subject to compliance with Section 32-1-1101, C.R.S. and other applicable law. Further, the Tax District may incur obligations with the Service District by intergovernmental agreement to support debt service on the Series 2004 Bonds and any parity lien bonds issued in accordance with the terms of the Series 2004 Bond Indenture as previously approved by the City.

Section IX of the Service Plan is amended as follows:

It is submitted that the Service Plan for the Tax District as modified by the Third 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 Tax District;

(b) The existing service in the area to be served by the Tax District is inadequate for present and projected needs;

(c) The Tax 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 Tax 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 and County 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 Third Modification of the Service Plan for the Tax District.

Respectfully submitted,

COLLINS COCKREL & COLE
A Professional Corporation

By



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District No. 2