

**FIFTH MODIFICATION OF SERVICE PLAN
FOR
MIDCITIES METROPOLITAN DISTRICT NO. 2
(TAX DISTRICT)
AUGUST 23, 2016**

This Fifth Modification of Service Plan for MidCities Metropolitan District No. 2 dated August 23, 2016 (“Fifth Modification”) amending the Service Plan dated August 13, 1998, as amended by the First Modification of Service Plan dated December 12, 2000, the Second Modification of Service Plan dated October 9, 2001, the Third Modification of Service Plan dated June 27, 2006 and the Fourth Modification of Service Plan dated August 9, 2016 (together, the “Service Plan”) for MidCities Metropolitan District No. 2 (“Tax District”) is made for the purposes of (i) consolidating all outstanding debt of the Districts by refunding at a lower interest rate (a) the Tax District’s outstanding Series 2006 Bonds (as defined below) and MidCities Metropolitan District No. 1’s (“Service District”) outstanding Series 2004 Bonds (as defined below), along with interest accruals, fees and related expenses thereon, (ii) effectuating the termination of the Tax District’s general obligation pursuant to an intergovernmental agreement to supplement and guarantee the payment of any deficiencies in available funds of the Service District for annual debt service payments on the Series 2004 Bonds, (iii) improving, completing, repairing and replacing the Districts’ public infrastructure, including without limitation streets, drainage and retaining structures, trails, parking facilities and other improvements, and (iv) paying the costs of issuance and related fees and expenses for the Series 2016 Bonds (as defined below) in accordance with a bond refinancing plan acceptable to the City and County of Broomfield, Colorado (“City”) as approved by the City and County Manager and City and County Attorney.

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 Fifth Modification but not defined herein, it shall have the meaning set forth in the Service Plan or the Intergovernmental Agreement dated December 15, 1998, as amended by the First Amendment of Intergovernmental Agreement dated December 12, 2000, the Second Amendment of Intergovernmental Agreement dated October 9, 2001, the Third Amendment of Intergovernmental Agreement dated June 27, 2006 and the Fourth Amendment of Intergovernmental Agreement August 23, 2016 (together, the “Intergovernmental Agreement”) among the City and the Districts.

Section VII of the Service Plan is amended as follows:

1. The Tax District is authorized to issue its Series 2016 Special Refunding Loan and/or Bonds (the “Series 2016 Bonds”) in the approximate aggregate principal amount of \$63,595,000 (for all senior and subordinate loans and/or bonds) for the purposes of (i) consolidating all outstanding debt of the Districts by refunding at a lower

interest rate (a) the Tax District's outstanding Series 2006 General Obligation Refunding and Improvement Bonds (the "Series 2006 Bonds") in the original principal amount of \$24,655,000 and the Service District's outstanding Series 2004 Revenue Refunding and Improvement Bonds (the "Series 2004 Bonds", and together with the Series 2006 Bonds, the "Refunded Bonds") in the original principal amount of \$49,190,000, along with any interest accruals, fees and related expenses on the Refunded Bonds, (ii) effectuating the termination of the Tax District's general obligation pursuant to an intergovernmental agreement to supplement and guarantee the payment of any deficiencies in available funds of the Service District for annual debt service payments on the Series 2004 Bonds, (iii) improving, completing, repairing and replacing the Districts' public infrastructure, including without limitation streets, drainage and retaining structures, trails, parking facilities and other improvements, and (iv) paying the costs of issuance and related fees and expenses for the Series 2016 Bonds in accordance with a bond refinancing plan that is acceptable to the City as subsequently approved by the City and County Manager and City and County Attorney.

2. In the Third Modification of Service Plan of each District, the Districts were authorized to issue bonds and incur other indebtedness in an aggregate principal amount not to exceed \$75,690,000, including the Series 2004 Bonds and the Series 2006 Bonds. The aggregate principal amount of the Series 2016 Bonds is less than the amount previously authorized in the Service Plans of the Districts.

3. In conjunction with the issuance of the Series 2016 Bonds and in support of the refinancing of the Series 2004 Bonds in particular, the City has agreed to extend the term of the Tax Reimbursement Agreement for an additional period of ten (10) years; provided, however, that all sales and use tax revenues distributed to either of the Districts during this period are, after the repayment of the Series 2016 Bonds, reimbursed to the City in full with interest from the Tax District's ad valorem tax levy for debt service in accordance with the terms of an amended and restated Tax Reimbursement Agreement duly approved by the City. Prior to the issuance of the Series 2016 Bonds, the Districts shall enter into an amended and restated Tax Reimbursement Agreement with 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 Fifth 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 Fifth Modification of the Service Plan for the Tax District.

Respectfully submitted,

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By 

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District No. 2