

**FIRST AMENDMENT TO
SERVICE PLAN
FOR
BRIGHTON CROSSING METROPOLITAN DISTRICT NOS. 5-8
CITY OF BRIGHTON, COLORADO**

Prepared by

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I. INTRODUCTION

The Service Plan (the “Original Service Plan”) for Brighton Crossing Metropolitan District Nos. 5-8 (the “Districts”) was approved by the City Council of the City of Brighton, Colorado (the “City”) on March 6, 2018. The Boards of Directors of the Districts (the “Boards”) are seeking to amend certain provisions set forth in the Original Service Plan pursuant to this First Amendment to Service Plan for Brighton Crossing Metropolitan District Nos. 5-8 (this “First Amendment”) to help facilitate the issuance of Debt to finance the public improvements that are necessary to support the development of the Project. The revisions set forth in this First Amendment have been recommended by the Districts’ bond counsel and by the Districts’ underwriter, and are based on current market conditions and the expectations of the potential purchasers of Debt issued by the Districts.

The Boards respectfully request, pursuant to this First Amendment, that the amendments provided below be made to the Original Service Plan. All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Original Service Plan.

II. AMENDMENT

A. Section V.B.1 – Section V.B.1 of the Original Service Plan is hereby amended and restated in its entirety as follows:

1. The interest rate on any Debt is expected to be the market rate at the time the Debt is issued, provided that the maximum interest rate on any Debt shall not exceed fifteen percent (15%) per annum. Interest on any Debt of the Districts, or other District obligations payable in whole or in part from the revenues derived from the Debt Service Mill Levy, shall be simple per annum interest unless interest is allowed to compound in accordance with the terms and provisions of an intergovernmental agreement between the City and the Districts; provided, however, that any interest accruing on Debt originally issued to (or any other reimbursement obligation of the Districts payable to) a developer of property within the Districts shall not compound. To the extent the Districts enter into any annually appropriated developer reimbursement agreements, interest shall not accrue on any funds expended on behalf of or advanced directly to the Districts under such agreements. The maximum underwriting discount on any Debt shall not exceed five percent (5%). The documents pursuant to which any Debt is issued shall prohibit the acceleration of principal of such Debt upon an event of default.

B. Section V.B.2 – Section V.B.2 of the Original Service Plan is hereby amended and restated in its entirety as follows:

The maximum term of any Debt issued by any District shall be forty (40) years from the date of issuance. Notwithstanding the term of any Debt issued by any District, any amount of outstanding principal and/or accrued interest that remains unpaid on the last day of the fortieth year following the year in which the Debt is issued shall be deemed forever discharged.

C. Section V.C.1 - Section V.C.1 of the Original Service Plan is hereby amended and restated in its entirety as follows:

1. Each District may impose an ad valorem Debt Service Mill Levy (a mill being equal to 1/10th of 1 cent) upon the Taxable Property within its boundaries for the purpose of paying the debt service requirements of any District's Debt. The Debt Service Mill Levy shall not exceed fifty (50) mills, subject to the Mill Levy Adjustment, without the prior approval of the City Council, which approval shall be evidenced by resolution. In addition, the Districts may request that the City process a Service Plan Amendment to increase the maximum Debt Service Mill Levy that may be imposed to repay any District's Debt or to provide that the Debt Service Mill Levy shall be such amount as is necessary to pay the debt service on such Debt, without limitation of rate.

A Debt Service Mill Levy may be imposed by any District for the purpose of paying Debt to finance Public Improvements prior to the approval by the City of the City Approvals. However, proceeds of such Debt may only be utilized to finance those Public Improvements after first obtaining City Approvals of either (a) the phase of development in the Project Area where the Public Improvements are located or (b) those specific Public Improvements to be financed by such Debt.

No District shall impose a Debt Service Mill Levy for more than forty (40) years after the date on which such District imposed its initial Debt Service Mill Levy, unless: (a) a majority of the Board imposing the Debt Service Mill Levy is comprised of End Users, and (b) the Board has voted in favor of extending the time that the Debt Service Mill Levy may be imposed for the payment of Debt issued by such District.

D. Section V.D.1. – Section V.D.1 of the Original Service Plan is hereby amended and restated as follows:

1. All Debt issued by the Districts must be issued in compliance with the requirements of Section 32-1-1101, C.R.S., all other requirements of State law and the provisions of this Service Plan. In addition, the Districts shall not utilize the proceeds of any Debt to finance or refinance the construction of Public Improvements prior to the approval by the City of the City Approvals relating to either (a) the phase of development in the Project Area where the Public Improvements are located or (b) those specific Public Improvements to be financed or refinanced by such Debt.

E. All Other Provisions – Except as specifically amended as set forth above, all other provisions of the Original Service Plan shall remain in full force and effect. To the extent there are any inconsistencies between this Amendment and the Original Service Plan, this First Amendment shall control.