

**SECOND MODIFICATION
TO
ORIGINAL SERVICE PLAN
FOR
PARK 36 METROPOLITAN DISTRICT
(CITY AND COUNTY OF BROOMFIELD, COLORADO)**

Approved: August 9, 2005

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Name Changed on August 8, 2005 to

Arista Metropolitan District

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PARK 36 METROPOLITAN DISTRICT**

I. INTRODUCTION

The City Council of the City of Broomfield, Colorado (the "City") approved the Service Plan for the proposed Park 36 Metropolitan District (the "District") on August 28, 2001 ("Original Service Plan"). The Original Service Plan was modified on September 10, 2002 to reflect a revised definition of Mill Levy Cap and make certain other conforming revisions ("First Modification").

This document is being presented pursuant to Section 32-1-207, C.R.S., and the sections set forth herein shall supersede and replace in their entirety the corresponding sections of the First Modification to Original Service Plan and shall be referred to as the Second Modification to the Original Service Plan (the "Second Modification").

This Second Modification consists of the revision in its entirety of Section X.A of the First Modification, for the purpose of increasing the Debt Authority of the District from Thirty-Nine Million Six Hundred Fifty-Five Thousand Dollars (\$39,655,000) to One Hundred Million Dollars (\$100,000,000) and increasing the amount of bonds that can be issued from Thirty-Nine Million Six Hundred Fifty-Five Thousand Dollars (\$39,655,000) to Eighty-Five Million Dollars (\$85,000,000). Section V.A.9.d. has also been added to allow the District to operate and maintain improvements not conveyed to other entities. Capitalized terms not defined herein shall have the meaning set forth in the First Modification.

V. DESCRIPTION OF PROPOSED SERVICES

A. Types of Improvements

9. Other Powers

d. **Operations.** Notwithstanding anything herein to the contrary, the District shall have the authority to operate and maintain those improvements not otherwise conveyed to the City and County of Broomfield or other entities.

X. FINANCIAL PLAN/PROPOSED INDEBTEDNESS

A. **General.** The provision of facilities by the District will be primarily financed by the issuance of bonds, secured in part by the ad valorem taxing authority of the District with limitations as discussed below. In order to finance the Improvements, the District may issue Eighty-Five Million Dollars (\$85,000,000) in bonds. Prior to the issuance of any debt, the construction costs for necessary Improvements may be paid by the Developer, subject to subsequent acquisition by the District of the completed Improvements and payment to the Developer of such construction costs. The Financial Plan demonstrates the issuance of bonds and the anticipated repayment based on the projected development in the District. The first bond issue is anticipated to occur in 2005. The District shall have the authority to obtain voter approval for the incurrence of debt in the total principal amount of One Hundred Million Dollars (\$100,000,000) ("Debt Authority"). Voter approval of debt in excess of the Debt Authority shall be considered a material modification of the Second Modification, which shall be subject to the statutory procedures set forth in Section 32-1-207, C.R.S.

The proposed maximum voted interest rate is estimated at fifteen percent (15%) and the maximum discount at five percent (5%). The exact interest rates, term and discounts will be determined at the time the bonds are sold by the District, and will reflect market conditions at the time of sale. The District may also issue notes, certificates, debentures or other evidences of indebtedness, including, but not limited to, contracts that extend beyond one year, on parity with or subordinate to debt issued pursuant to the Debt Authority, subject to the limitations set forth

herein. Refunding bonds may be issued as determined by the Board of Directors and are not subject to the Debt Authority. In addition, the District will have authority to issue revenue bonds and other obligations in accordance with state law.

Prior to issuance of any bonds, the District shall submit to Broomfield a financial plan which demonstrates the structure of the proposed bond transaction and the District's plan to pay the proposed bonds ("Bond Issuance Plan"). At least fifteen (15) days prior to submitting the Bond Issuance Plan, the District shall submit to Broomfield a Notice of Intent to Issue Bonds. The City and County Manager shall have forty-five (45) days from the date of receipt of the Bond Issuance Plan in which to object to such Bond Issuance Plan. In the event Broomfield objects in writing within the forty-five (45) day period, the District shall proceed with the bond issuance only with the written consent of the City/County Manager or its designees.