

**FIRST AMENDMENT TO THE
SERVICE PLAN**

FOR

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2

Prepared for

Tollgate Crossing Metropolitan District No. 2

By

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I. INTRODUCTION

On September 17, 2001, the City Council for the City of Aurora, Colorado (the "City") approved the Consolidated Service Plan (the "Original Service Plan") for the Tollgate Crossing Metropolitan District Nos. 1 & 2 (the "Districts"). On April 17, 2002, the Districts were formally organized through recordation of the Order and Decree entered by the Arapahoe County District Court on December 18, 2001. Upon completion of the intended purposes of the Tollgate Crossing Metropolitan District No. 1 ("District No. 1"), District No. 1 was formally dissolved on April 30, 2008. Tollgate Crossing Metropolitan District No. 2 (the "District") continues in existence as a special district pursuant to and in accordance with Colorado law and the Original Service Plan.

In April 2004, the District issued its \$12,140,000 General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2004 (the "Series 2004 Bonds"). Due to current market conditions, the District is able to refinance the Series 2004 Bonds and obtain better financing terms; however, in order to obtain the best interest rates and terms, such refinancing requires the elimination of the "Mill Levy Cap" (as defined in the Original Service Plan) with respect to such refinancing and any future refinancings of that same debt.

Accordingly, the District requests that the Original Service Plan be modified so that the Mill Levy Cap does not apply to any refunding of the debt represented by the Series 2004 Bonds. In addition, the District requests that the Original Service Plan be modified so as to remove certain provisions no longer required by City policy to be included in Service Plans, all as is more particularly provided hereafter.

II. REPLACEMENT OF ARTICLE V, SECTION C "IDENTIFICATION OF DISTRICT REVENUE".

Article V, Section C, entitled "Identification of District Revenue," shall be replaced in its entirety with the following:

C. Maximum Debt Mill Levy.

The "Maximum Debt Mill Levy" shall be the Maximum Debt Mill Levy the District is permitted to impose upon the taxable property within the District for payment of Debt ("Debt" being defined as bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy, and/or collect fee revenue), and shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be forty-five and twenty-nine one-hundredths-of-one (45.29) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section V.C.2 below; provided that if, on or after January 1, 2001, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2001, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section V.C.2 above, so that the District is entitled to pledge to its payment an unlimited *ad valorem* mill levy, such District may provide that such Debt shall remain secured by such

unlimited mill levy, notwithstanding any subsequent change in such District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

4. Notwithstanding the foregoing or anything herein to the contrary, but subject to the last sentence of this Section V.C.4, the District is authorized to issue one or more series of unlimited mill levy bonds or other obligations which are not subject to the Maximum Debt Mill Levy for the purpose of refunding or refinancing the debt originally represented by the Series 2004 Bonds (the "Refunding Bonds"). The District may pledge to the payment of such Refunding Bonds such revenues as it may determine, including the revenues from a mill levy to be imposed on all taxable property of the District without limitation of rate and in such amounts as are sufficient to pay the Refunding Bonds as they come due. Such Refunding Bonds may be issued at one time or from time to time, and may themselves be refunded or refinanced through future unlimited mill levy bonds or other obligations which are not subject to the Maximum Debt Mill Levy, so long as such future unlimited mill levy bonds or other obligations are for the purpose of refunding or refinancing the debt originally represented by the Series 2004 Bonds. The Refunding Bonds may be issued in such principal amount as may be determined by the District, and may include amounts sufficient to pay all fees, costs, and expenses in connection with the Refunding Bonds. This Section V.C.4 shall take effect immediately; provided that if the District does not issue any of the Refunding Bonds on or prior to December 31, 2012, this Section V.C.4 shall be deemed repealed and of no further force or effect.


5. To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

III. ELIMINATION OF ARTICLE V, SECTION E “REFINANCING OF DISTRICT DEBT”.

Article V, Section E of the Service Plan is hereby deleted in its entirety.

Respectfully submitted,

TOLLGATE CROSSING
METROPOLITAN DISTRICT NO. 2:



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