

AMENDMENT NO. 1
TO
FIRST AMENDED AND RESTATED SERVICE PLAN
FOR
THE LAKES METROPOLITAN DISTRICT NO. 1
CITY OF BRIGHTON, COLORADO

Prepared by

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Approved on _____, 2021

I. INTRODUCTION

The First Amended and Restated Service Plan (the “Amended and Restated Service Plan”) for The Lakes Metropolitan District No. 1 (the “District”) was approved by the City Council of the City of Brighton, Colorado (the “City”) on December 19, 2017. The Board of Directors of the District (the “Board”) is seeking to amend certain provisions set forth in the Amended and Restated Service Plan pursuant to this Amendment No. 1 to First Amended and Restated Service Plan for The Lakes Metropolitan District No. 1 (“Amendment No. 1”). These modifications conform the Amended and Restated Service Plan to the changes approved by the City to the City’s Model Service Plan on August 17, 2021.

All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Amended and Restated Service Plan.

II. AMENDMENT

A. Section IV.A.12 – Section IV.A.12 of the Amended and Restated Service Plan is hereby amended and restated in its entirety as follows:

“12. Inclusion and Exclusion Limitation. Except for property within the Inclusion Area Boundaries, the District shall not include any properties into its boundaries without the prior consent of the City Council, which consent shall be evidenced by resolution. The District shall not exclude any property from its boundaries without the prior consent of the City Council, which consent shall be evidenced by resolution.”

B. Section IV.A.13 – Section IV.A.13 of the Amended and Restated Service Plan is hereby amended and restated in its entirety as follows:

“13. Overlap Limitation. Without the prior consent of the City Council, which consent shall be evidenced by resolution, the boundaries of the District shall not overlap with any other special district providing the same service unless (a) the City Council consents to such overlapping boundaries, which consent shall be evidenced by resolution, and (b) the other requirements set forth in Section 32-1-107, C.R.S. have been satisfied. Nothing herein shall prevent a special district providing different services from organizing wholly or partly within the boundaries of the District.”

C. Section V.B.1 – Section V.B.1 of the Amended and Restated 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 District, or other District obligations payable in whole or in part from the revenues derived from the Debt Service Mill Levy, may be simple per annum interest or compound interest; provided, however, that any interest accruing on Debt originally issued to (or any other reimbursement obligation of the District payable to) a developer of property within the District shall not compound. To the extent the District enters into any annually appropriated developer

reimbursement agreements, interest shall not accrue on any funds expended on behalf of or advanced directly to the District under such agreements. The maximum underwriting discount shall be five percent (5%). The documents pursuant to which any Debt is issued shall prohibit the acceleration of principal of such Debt as a remedy for an event of default thereunder.”

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

“2. 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 the District, any amount of outstanding principal and/or accrued interest that remains unpaid upon the last day of the fortieth year following the year in which the Debt is issued shall be deemed to be forever discharged.”

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

“1. The 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 the District for the purpose of paying the debt service requirements on District 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 District may request that the City process a Service Plan Amendment to increase the maximum Debt Service Mill Levy that may be imposed to repay District 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.

The Debt Service Mill Levy may be imposed by the 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 for 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.

The District shall not impose a Debt Service Mill Levy to pay the debt service requirements on District Debt for more than forty (40) years after the date on which the District imposed the initial Debt Service Mill Levy for the payment of the first issuance of District Debt 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 District Debt.”

F. Section V.C.3. – Section V.C.3 of the Amended and Restated Service Plan is hereby amended and restated as follows:

“3. The maximum combined mill levy, including the Debt Service Mill Levy and the Operation and Maintenance Mill Levy (the “Maximum Combined Mill Levy”), shall

not exceed sixty (60) mills, subject to the Mill Levy Adjustment, without the prior approval of the City Council, which approval shall be evidenced by resolution.”

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

“1. All Debt issued by the District 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 Amended Service Plan. In addition, the District 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.”

H. Section VIII. – Section VIII of the Amended and Restated Service Plan is hereby amended and restated as follows:

“VIII. All special and regular District meetings shall be open to the public. All meetings of the Board that are held solely at physical locations shall be held at physical locations that are within the boundaries of the District or that are within twenty miles of the District boundaries. The meeting notice of all meetings of the Board that are held telephonically, electronically or by other means not including physical presence must include the method or procedure, including the conference number or link, by which members of the public can attend the meeting, or as otherwise required by Colorado law. The District shall provide annual notice to all eligible electors of the District, in accordance with Section 32-1-809, C.R.S. In addition, the District shall record a District public disclosure document and a map of the District boundaries with the Clerk and Recorder of each County in which District property is located, in accordance with Section 32-1-104.8, C.R.S. The District shall use reasonable efforts to ensure that copies of the annual notice, public disclosure document and map of the District boundaries are provided to potential purchasers of real property within the District as part of the seller’s required property disclosures.”

I. All Other Provisions – Except as specifically amended as set forth above, all other provisions of the Amended and Restated Service Plan shall remain in full force and effect. To the extent there are any inconsistencies between this Amendment No. 1 and the Amended and Restated Service Plan, this Amendment No. 1 shall control.