

**FIRST AMENDMENT TO
SERVICE PLAN**

FOR

VISTA RIDGE METROPOLITAN DISTRICT

TOWN OF ERIE, COLORADO

Prepared

by

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Submitted: August 26, 2016

Approved: _____

FIRST AMENDMENT TO SERVICE PLAN FOR VISTA RIDGE METROPOLITAN DISTRICT

Pursuant to Resolution 00-09, the Board of Trustees of the Town of Erie (the “**Town**”) approved the Service Plan for Vista Ridge Metropolitan District (the “**District**”) on February 22, 2000 (the “**Original Service Plan**”).

This document is being presented pursuant to Section 32-1-207, C.R.S., and Title 9 Chapter 4 of the Erie Municipal Code, and shall be referred to as the First Amendment to the Original Service Plan (the “**Amendment**”).

1. The District was organized to acquire, construct, complete, install, finance, and/or operate and maintain certain public improvements within and without the District’s boundaries, as described in the Original Service Plan.

2. The Debt Service Mill Levy Cap, as defined in the Original Service Plan, may not exceed thirty-five (35) mills. Based on legislative changes in the method of calculation of residential assessed valuation since approval of the Original Service Plan in 2000 (the “**Gallagher Adjustment**”), the actual Debt Service Mill Levy Cap is currently 42.827 mills.

3. On August 30, 2006, the District issued Forty Million Dollars (\$40,000,000) of Limited Tax General Obligation Bonds. As of the date of this Amendment, the District’s total certified mill levy is 57.827 mills, with 42.827 mills imposed for debt service and 15.000 mills imposed for operation and maintenance expenses.

4. The Board of Directors of the District (the “**Board**”) has represented to the Town that eliminating the Debt Service Mill Levy Cap will allow the District to refinance current outstanding Limited Tax General Obligation Bonds at a future date at a potentially lower interest rate, which will result in demonstrable net present value savings to the residents and taxpayers of the District. This Amendment will remove all reference to the Debt Service Mill Levy Cap and allow the District to pledge an unlimited mill levy to the repayment of future bonds.

Capitalized terms not defined herein shall have the same meanings set forth in the Original Service Plan.

AMENDMENTS

The Original Service Plan is hereby amended as set forth herein.

1. The second paragraph of Section V.C is hereby amended to read as follows, with deletions shown in strike-through text and additions shown in underlined text:

~~The mill levy cap proposed herein for repayment of the bonds does not apply to the proposed District’s ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.~~
The proposed District may increase its mill levy as necessary for the provision of

operation and maintenance services to its taxpayers and service users. However, there are statutory and constitutional limits on the proposed District's ability to increase its mill levy for provision of operation and maintenance services without an election.

2. The first sentence of the third paragraph of Section VI.B is hereby amended to read as follows, with deletions shown in strike-through text:

It is proposed that a total maximum amount of Forty Million Dollars (\$40,000,000) of bonds that are secured by *ad valorem* property taxes (including general obligation and any bonds issued, ~~the repayment of which is from the pledge of revenue from the Debt Service Mill Levy Cap, as defined herein~~) for various purposes be submitted to the electors of the proposed District for their approval at an election.

3. The title of Section VI.C is hereby amended to read as follows, with deletions shown in strike-through text:

C. Mill Levy ~~Cap~~.

4. The last sentence of Section VI.C is hereby amended to read as follows, with deletions shown in strike-through text:

These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs as projected; otherwise, increases in the debt service mill levy and/or the imposition of rates, tolls, fees and charges may be necessary; ~~but in no event shall the debt service mill levy exceed the Debt Service Mill Levy Cap, as defined below.~~

5. Section VI.D(3) is hereby deleted in its entirety, and Sections IX.D(4) and (5) are renumbered as Sections VI.D(3) and (4) accordingly.

6. The first paragraph following the original Section VI.D(5) is hereby deleted in its entirety.

7. The first sentence of the fourth paragraph following the original Section VI.D(5) is hereby deleted.

8. All language in the Original Service Plan not amended by this Amendment shall remain in effect as written.