

**FIRST AMENDMENT TO
CONSOLIDATED SERVICE PLAN FOR
GRANBY RANCH METROPOLITAN DISTRICT NOS. 2-8
TOWN OF GRANBY, COLORADO**

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I. INTRODUCTION

The Consolidated Service Plan for the Granby Ranch Metropolitan District Nos. 2-8 (the “**Districts**”) was approved by the Board of Trustees of the Town of Granby on September 25, 2007 by Resolution 2007-09-25 A (“**Consolidated Service Plan**”).

On November 29, 2007, the District Court in and for Grand County, Colorado issued an Order and Decree organizing the Districts. The Districts were organized to, inter alia, finance public improvements for the benefit of the residents, property owners, and taxpayers of the Districts. This First Amendment to the Consolidated Service Plan (“**First Amendment**”) is intended to be read in conjunction with the Consolidated Service Plan. Unless the context indicates, all capitalized terms shall have the meaning as set forth in the Consolidated Service Plan.

II. FIRST AMENDMENT

The Districts’ Boards of Directors (the “**Boards**”) have determined it is in the best interests of the residents, property owners, and taxpayers of the Districts to amend the Consolidated Service Plan in order to clarify and amend certain provisions relating to the intergovernmental agreements between the Districts, Headwaters Metropolitan District, and Granby Ranch Metropolitan District, and the Districts’ ability to impose *ad valorem* property taxes for operations and maintenance and debt.

III. AMENDMENTS

1. Section VI. A of the Consolidated Service Plan is amended and restated in its entirety as follows:

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts illustrates the anticipated Debt to be issued by the Districts, which Debt, at the time of issuance, can reasonably be paid by the Districts by imposing the Maximum Mill Levy within the Maximum Mill Levy Imposition Term and by use of other revenues derived by the imposition of Fees, rates, tolls or charges and other legally available revenues. The Financial Plan is an estimated schedule for issuance of Debt and repayment sources and is subject to change. The total Debt that the Districts shall be permitted to issue shall not exceed Ninety Four Million Two Hundred Fifty Thousand Dollars (\$94,250,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it

occurs. In addition thereto, the Districts shall be permitted to issue additional Debt up to Nineteen Million Five Hundred Thousand Dollars (\$19,500,000) plus 4% annual inflation from and after June 1, 2005, until issued for the acquisition, construction and installation of the Amenities. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes and Fees to be imposed upon all Taxable Property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time. The Districts shall be permitted to request an increase in the debt limitations contemplated herein by way of an administrative approval process with the Town. Under no circumstances shall an administratively approved change in the debt limitation be considered a material modification of the Service Plan.

Headwaters Metropolitan District may enter into funding, acquisition and reimbursement agreements with the developer or other entities and may issue revenue bonds, bond anticipation notes or other multiple-fiscal year financial obligations to fund the costs of the Public Improvements and other interim expenses until such time as revenues are available from the Districts or other sources and the Financing Plan can be reasonably implemented. Any funds advanced by the developer or other entities for the purposes of designing, constructing and installing the Public Improvements may be reimbursed from property taxes collected by the Districts and from other available revenue sources.

2. The Section VI. C of the Consolidated Service Plan is amended and restated in its entirety as follows:

C. Maximum Mill Levy.

The "Maximum Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt and any operations and maintenance costs, regardless of statutory changes to Section 32-1-1101, et seq., C.R.S., shall be sixty (60.000) mills, with a maximum of fifty (50.00) mills for debt and fifty (50.00) mills for operations and maintenance, unless otherwise approved by the Town; provided, however, that if the ratio of actual valuation to assessed valuation for residential real property (as of November 1, 2016) is changed pursuant to Article X, section 3(1)(b) of the Colorado Constitution and legislation implementing such constitutional provision, the Maximum Mill Levy will be increased or decreased (as to all taxable property in the Districts) to reflect such changes so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (Gallagher adjustment). Notwithstanding the foregoing, in the event the Maximum Mill Levy is imposed by a District, a District is permitted to impose upon the taxable property within such District a mill levy not-to-exceed five (5.000) mills in the same fiscal year, which five (5.000) mills shall be in addition to the Maximum Mill Levy. Any revenues generated by the additional five (5.000)

mills imposed by a District shall be used solely for the purpose of meeting a District's obligations under an intergovernmental agreement with the Town for transportation purposes.

To the extent that the Districts are 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.

3. Section X of the Consolidated Service Plan is amended and restated in its entirety as follows:

X. INTERGOVERNMENTAL AGREEMENTS

An intergovernmental agreement among the Town, the Districts and Headwaters Metropolitan District may be entered into, which agreement will memorialize the financial obligations, understandings and agreements among the parties referenced herein. Additionally, the Districts and Headwaters Metropolitan District may enter into an intergovernmental agreement setting forth the relationship between and among such districts and the terms for financing, acquiring, constructing, and operating public services and improvements to be furnished by the Districts.

IV. EFFECT OF FIRST AMENDMENT

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