

**FIRST AMENDMENT TO THE
CONSOLIDATED SERVICE PLAN
FOR
TRADITIONS METROPLITAN DISTRICT NOS. 1 and 2
CITY OF AURORA, COLORADO**

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As approved by the City of Aurora
on

November 14, 2016

I. INTRODUCTION

The Consolidated Service Plan for Traditions Metropolitan District Nos. 1 and 2 (the “Service Plan”), dated as of August 8, 2003, was approved by the City Council of the City of Aurora (the “City”) on August 18, 2003.

Subsequent to the approval of the Service Plan, Traditions Metropolitan District No. 1 was dissolved pursuant to an Order of the Arapahoe County District Court dated July 11, 2011 and recorded at Reception No. D1070889.

This First Amendment (“First Amendment”) to the Service Plan constitutes an amendment to certain provisions of the Service Plan applicable to the Traditions Metropolitan District No. 2 (the “District”).

In order to finance the public improvements necessary for the Traditions development, the District previously issued the following bonds and obligations:

On November 21, 2006, the District issued \$4,775,000 in General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2006 (the “2006 Bonds”). The 2006 Bonds have an interest rate of 5.75%, paid semi-annually on June 1 and December 1, shall mature in 2036 and are subject to mandatory sinking fund redemption prior to their maturity date. There is currently \$4,585,000 in principal outstanding on the 2006 Bonds, as of December 31, 2015.

On May 9, 2008, the District issued \$5,129,188 in Subordinate General Obligation (Limited Tax Convertible to Unlimited Tax) Convertible Capital Appreciation Bonds, Series 2008 (the “2008 Bonds”). The aggregate maturity value of the 2008 Bonds will be \$8,780,000. The 2008 Bonds bear interest as follows: (i) from the date of issuance to December 14, 2014 at a rate of 0% per annum and (ii) from December 15, 2014 to the date of maturity or prior redemption at the rate of 8.5% per annum. Interest is payable annually on December 15, commencing on December 15, 2015. The 2008 Bonds shall mature in 2037 and are subject to mandatory sinking fund redemption prior to maturity. The 2008 Bonds were fully accreted as of December 31, 2015 and as of such date, there was an outstanding principal balance of \$8,780,000.

The 2006 Bonds and the 2008 Bonds remain outstanding and are referred to in this First Amendment collectively as the “Outstanding Debt.”

Due to the current interest rate environment and market conditions, the District will be able to refund the Outstanding Debt with favorable interest rates and financing terms, if the District is able to eliminate the “Mill Levy Cap” provision contained in the Service Plan with respect to such refunding and any future refundings of the refunded Outstanding Debt, and eliminate the requirement that all Debt incurred by the District shall mature no later than forty (40) years from the date of organization of the District.

The Board of Directors of the District therefore respectfully requests, pursuant to this First Amendment, that the Mill Levy Cap contained in the Service Plan not apply to any refinancing of the Outstanding Debt and any future refinancing of refunded Outstanding Debt and that the forty (40) year debt maturity requirement be eliminated and the following amendments be made to the Service Plan:

II. AMENDMENT

A. *Section VII. Financing Plan, Paragraph F. Mill Levy Cap.* This Section of the Service Plan provides that there shall be a Mill Levy Cap of 45.29 mills that shall be subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur on or after May 1, 2003. As a result of such changes, the current Mill Levy Cap is 52.06 mills.

Notwithstanding the Mill Levy Cap established in Section VII.F. or anything in the Service Plan to the contrary, the District is authorized to issue one or more series of unlimited mill levy Bonds or other Debt or obligations which are not subject to the Mill Levy Cap, for the purpose of refunding or refinancing the Debt represented by the Outstanding Debt (as that term is defined in this First Amendment) and any subsequent refunding of the refunded Outstanding Debt (the "Refunding Bonds"). The District may pledge to the payment of the Refunding Bonds such revenues as it may determine, including the revenues from a mill levy to be imposed on all taxable property within the District without limitation as to 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 Mill Levy Cap, so long as such future unlimited mill levy Bonds or other obligations are for the purpose of refunding or refinancing the Debt represented by the Outstanding Debt. The Refunding Bonds may be issued in such principal amount as may be determined by the District's Board, in its sole discretion, and may include amounts sufficient to pay all fees, costs and expenses in connection with the Refunding Bonds. This modification to Section VII, Paragraph F shall take effect immediately.

B. *Section VII. Financing Plan, Paragraph B. Debt Limit.* This Section of the Service Plan provides that all Debt incurred by the District shall mature no later than forty (40) years from the date of organization of the District. The District was organized in 2003 and therefore, pursuant to this Section, all Debt must mature no later than 2043.

The Refunding Bonds are projected to mature in 2046. Therefore, notwithstanding the maturity limitation established in Section VII, under this First Amendment, the District shall be permitted to issue the Refunding Bonds with a maturity date of 2046.

Approval of this amendment to Section VII, Paragraph B, and adoption of a resolution by the City evidencing the same, shall satisfy the prior approval requirement of Section VII, Paragraph I of the Service Plan.

C. Except as specifically amended as set forth above, all other provisions of the Service Plan shall remain in full force and effect.