

SECOND AMENDMENT
TO THE
CONSOLIDATED SERVICE PLAN
FOR
WYNDHAM HILL METROPOLITAN DISTRICT NOS. 1, 2 AND 3
(Frederick Colorado)

September 14, 2006

By

White, Bear & Ankele Professional Corporation

I. **Introduction**

On February 12, 2004 the Board of Trustees for the Town of Frederick adopted a resolution approving the 2004 Consolidated Service Plan for Wyndham Hill Metropolitan Districts Nos. 1, 2 and 3. On August 11, 2005 the Board of Trustees for the Town of Frederick adopted a resolution approving the First Amendment to the Consolidated Service Plan, which increased the new money revenue and general obligation debt limit to accommodate additional and increased estimated costs of public infrastructure planned for the Wyndham Hill development.

This Second Amendment to the Consolidated Service Plan is only to establish a separate and specific revenue debt limit to accommodate the issuance of revenue based indebtedness to defray a portion of the public infrastructure construction costs needed for the Wyndham Hill Metropolitan District No. 3's commercial development inclusive of the Frederick Town Center commercial project (collectively "Frederick Town Center"). Such indebtedness to be payable from and related to a specific pledge of public improvement fees expected to be imposed and generated from sales within the Frederick Town Center commercial development. The majority of the original Service Plan and First Amendment are left unchanged unless otherwise noted herein.

This Second Amendment to the Consolidated Service Plan ("Amendment") for Wyndham Hill Metropolitan District Nos. 1, 2 and 3 (hereinafter collectively known as "Districts") is submitted in accordance with the requirements of Section 32-1-207(2) of Title 32, Colorado Revised Statutes.

II. **Estimated Cost of Public Facilities for Fredrick Town Center**

The estimated construction cost of a portion of the public facilities to be constructed, installed, acquired and otherwise financed by Wyndham Hill Metropolitan District No. 3 for the benefit of the Frederick Town Center commercial development is approximately \$30,000,000.

III. **Debt Limit/Revenue Bond**

The purpose of this Amendment is to establish, for Wyndham Hill Metropolitan District No. 3, the commercial district ("District No. 3"), a separate new money revenue debt limit of \$30,000,000.00, exclusive of costs of issuance, including but not limited to debt service reserves, capitalized interest, underwriter's discount and legal fees, etc., to specifically accommodate District No. 3's issuance of revenue based indebtedness ("PIF Bonds") that is secured by and repaid from a pledge of public improvement fee revenue ("PIF Revenue") generated from certain retail sales on goods, services and other occurring within the Frederick Town Center commercial development. The proceeds from the PIF Bonds are needed to defray a portion of the public infrastructure construction costs required by the Frederick Town Center.

PIF Bonds, if and when issued, shall be by District No.3, which will use the net proceeds to construct, install, acquire public infrastructure and make reimbursements for the costs associated with such public infrastructure required by the Frederick Town Center. The term of the PIF Bonds is shall not exceed fifteen (15) years from the date of issue, unless a greater term is approved by the Town of Frederick.

PIF Revenue is expected to be generated from the imposition by the developer and private property owners within Frederick Town Center of a public improvement fee on certain retail sales occurring therein through the inclusion of public improvement fee terms in a PIF Covenant and in all leases with tenants. Through various agreements, interest, rights and title to PIF Revenues will assigned to District No. 3.

IV. CONCLUSIONS

It is submitted that this Amendment, along with the previously approved First Amendment and Consolidated Service Plan, as required by § 32-1-203(2), C.R.S., has established that:

- (a) There is sufficient existing and projected need for organized service in the area served by the Districts;
- (b) The existing service in the area served by the Districts is inadequate for present and projected needs;
- (c) The Districts are capable of providing economical and sufficient service to the area within its boundaries;
- (d) The area included in the Districts will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

Therefore, it is requested that the Town of Frederick, through its Board of Trustees, approve this Second Amendment to the Consolidated Service Plan for Wyndham Hill Metropolitan District Nos. 1, 2 and 3.

**WHITE BEAR & ANKELE
PROFESSIONAL CORPORATION**

WYNDHAM\SPLAN\AMEND\KSA1100082306
0727.0003e