

[MULTIPLE DISTRICT MULTIPLE SERVICE PLAN]

**AMENDED AND RESTATED SERVICE PLAN
FOR
SOUTHLANDS METROPOLITAN DISTRICT NO. 1
CITY OF AURORA, COLORADO**

Prepared

by

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I. INTRODUCTION

A. Purpose and Intent.

The District was originally organized pursuant to the Original Service Plan and an Order and Decree of the Arapahoe County District Court issued on November 18, 2002. This Service Plan shall replace and entirely supersede the Original Service Plan. The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the City Regarding District's Service Plan.

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Mill Levy for commercial and residential properties. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs. Operational activities are allowed, but only through an intergovernmental agreement with the City.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the District has authorized operating functions under an intergovernmental

agreement with the City, to retain only the power necessary to impose and collect taxes or fees to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax revenues collected from a mill levy which shall not exceed the Maximum Mill Levy on commercial and residential properties and which shall not exceed the Maximum Mill Levy Imposition Term on residential properties. It is the intent of this Service Plan to assure to the extent possible that no commercial or residential property bear an economic burden that is greater than that associated with the Maximum Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District. With regard to Regional Improvements, this Service Plan also provides for the District to pay a portion of the cost of regional infrastructure as part of ensuring that development and those that benefit from development pay for the associated costs.

II. DEFINITIONS

In this Service Plan, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Approved Development Plan: means a Framework Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the Service Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means bonds or other obligations for the payment of which the District has promised to impose an *ad valorem* property tax mill levy.

City: means the City of Aurora, Colorado.

City Code: means the City Code of the City of Aurora, Colorado.

City Council: means the City Council of the City of Aurora, Colorado.

District: means Southlands Metropolitan District No. 1.

Districts: means District No. 1 and District No. 2, collectively.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public

finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Financial Plan: means the combined Financial Plan of the Districts as described in Section VII which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inclusion Area Boundaries: means the boundaries of the area described in the Inclusion Area Boundary Map.

Inclusion Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for inclusion within one, but not any more than one, of the boundaries of the Districts.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's initial boundaries.

Maximum Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VII.C below.

Maximum Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property developed for residential uses as set forth in Section VII.D below.

Original Service Plan: means the service plan for the District approved by the City Council on September 9, 2002.

Project: means the development or property commonly referred to as the Southlands.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the Service Area as determined by the Board of the District.

Regional Improvements: means Public Improvements and facilities that benefit the Service Area and which are to be financed pursuant to Section VI below.

Service Area: means the property within the Initial District Boundary Map and the Inclusion Area Boundary Map.

Service Plan: means this amended and restated service plan for the District approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

III. BOUNDARIES

The area of the Initial District Boundaries included approximately 75 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 150 acres. As of the date of this Service Plan, the boundaries of the District include just over 200 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 225 acres of commercial land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be -0- given there is no residential component within the boundaries of the District.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other

appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements, other than park and recreation improvements, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City. The District shall be authorized, but not obligated to, operate and maintain park and recreation improvements without an intergovernmental agreement with the City, provided that any fee imposed by the District for access to such park and recreation improvements shall not result in Non-District Aurora residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District Aurora residents to ensure that such costs are not the responsibility of District residents. All such fees shall be based upon the District's determination that such fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public and Non-District Aurora residents free of charge.

2. Fire Protection Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

3. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction Limitation. Acknowledging that the City has financed public golf courses and desires to coordinate the construction of public golf courses in the City's boundaries, the District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion Limitation. The District shall not include within any of their boundaries any property outside the Service Area without the prior written consent of the City Council.

8. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

9. Total Debt Issuance Limitation. The District shall not issue Debt in excess of \$75,000,000.

10. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

11. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

12. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Mill Levy and the Maximum Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral

approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Mill Levy and the Maximum Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

13. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in V.A.1-12 above or in VII.B-G. shall be deemed to be material modifications to this Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately \$50,000,000.

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Cost Sharing and Recovery Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

VI. REGIONAL IMPROVEMENTS

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the

provisions of the Regional Improvements incurred as a result of obligations previously established pursuant to an Approved Development Plan for the Project.

The District shall have the authority to issue Debt for the Regional Improvements in an amount not to exceed \$25,000,000.

VII. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Mill Levy Imposition Term from revenues derived from the Maximum Mill Levy and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed \$75,000,000 and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all taxable property within the District. The District 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.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed 18%. The proposed maximum underwriting discount will be 5%. Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Mill Levy.

The "Maximum Mill Levy" shall be 45.29 mills, which shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for all purposes, including without limitation the payment of Debt and for operations and maintenance.

1. For the portion of any aggregate District's Debt which is equal to or exceeds 50% of the District's assessed valuation, the Maximum Mill Levy for such portion of Debt shall be the Maximum Mill Levy less the number of mills necessary to pay unlimited-mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2002, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2002,

are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For the portion of any aggregate District's Debt which is less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

3. For purposes of the foregoing, once Debt has been determined to be within Section VII.C.2 above, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is 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 in this 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.

D. Maximum Mill Levy Imposition Term.

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may 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. In no event shall the debt service mill levy in the District exceed the Maximum Mill Levy or, for residential property within the District, the Maximum Mill Levy Imposition Term.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

G. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

I. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be approximately \$90,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The current year's operating budget is approximately \$65,000 which is anticipated to be derived from property taxes and other revenues.

The Maximum Mill Levy for the repayment of Debt shall not apply to the District's ability to increase its mill levy as necessary for provision of operation and maintenance services to its taxpayers and service users.

VIII. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any as of December 31 of the prior year.
4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

IX. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the

appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

X. DISCLOSURE TO PURCHASERS

The District will use reasonable efforts to assure that all developers of the property located within the District provide written notice to all purchasers of property in the District regarding the Maximum Mill Levy, as well as a general description of the District's authority to impose and collect rates, fees, tolls and charges. The form of notice shall be filed with the City prior to the initial issuance of the Debt of the District imposing the mill levy which is the subject of the Maximum Mill Levy.

XI. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit D**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit D** at its first Board meeting after approval of this Service Plan. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The intergovernmental agreement required under the Service Plan shall replace and supersede the intergovernmental agreement between the City and the District dated December 2, 2002. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

XII. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 122-35 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.

7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.

8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.

9. The approval of this Service Plan of the District is in the best interests of the area proposed to be served.

EXHIBIT A

Legal Descriptions

LEGAL DESCRIPTION SOUTHLANDS METROPOLITAN DISTRICT NO. 1 INITIAL BOUNDARIES

PARCEL 1

A PARCEL OF LAND IN THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, COLORADO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE NORTH 89 DEGREES 16 MINUTES 25 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 711.82 FEET; TO A POINT ON THE CENTERLINE OF THE PROPOSED AURORA PARKWAY; THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID CENTERLINE; 1) SOUTH 32 DEGREES 05 MINUTES 09 SECONDS EAST, A DISTANCE OF 666.42 FEET; 2) ALONG THE ARC OF A 1,000.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 31 DEGREES 21 MINUTES 21 SECONDS, AN ARC DISTANCE OF 547.26 FEET, WITH A CHORD BEARING OF SOUTH 16 DEGREES 24 MINUTES 29 SECONDS EAST, A DISTANCE OF 540.46 FEET; 3) SOUTH 00 DEGREES 43 MINUTES 48 SECONDS EAST, A DISTANCE OF 1,341.82 FEET TO A POINT ON THE NORTH LINE OF A 210.00 FOOT WIDE PUBLIC SERVICE COMPANY RIGHT OF WAY; THENCE SOUTH 89 DEGREES 21 MINUTES 35 SECONDS WEST ALONG SAID NORTH LINE, A DISTANCE OF 1,238.61 FEET TO A POINT ON THE WEST LINE OF SAID NORTHEAST QUARTER; THENCE NORTH 00 DEGREES 04 MINUTES 15 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 2,429.61 FEET TO THE POINT OF BEGINNING, CONTAINING 2,762,621 SQUARE FEET OR 63.4210 ACRES, MORE OR LESS.

PARCEL 1.1

A PARCEL OF LAND BEING IN THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 19; THENCE SOUTH 00 DEGREES 04 MINUTES 50 SECONDS WEST, ALONG THE EASTERLY LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 859.87 FEET TO THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 19 AND THE POINT OF BEGINNING; THENCE CONTINUING SOUTHERLY ALONG SAID EAST LINE OF THE SOUTHWEST QUARTER OF SECTION 19 SOUTH 00 DEGREES 04 MINUTES 50 SECONDS WEST, A DISTANCE OF 767.79 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY OF SMOKY HILL ROAD; THENCE ALONG SAID NORTHEASTERLY RIGHT-OF-WAY NORTH 59 DEGREES 32 MINUTES 29 SECONDS WEST, A DISTANCE OF 1,068.12 FEET TO THE EASTERLY RIGHT-OF-WAY OF E-470 AS DESCRIBED IN BOOK 8118 AT PAGE 601 OF THE RECORDS OF THE ARAPAHOE COUNTY CLERK AND RECORDER; THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID EASTERLY RIGHT-OF-WAY OF E-470:
1) THENCE NORTH 29 DEGREES 24 MINUTES 51 SECONDS EAST, A DISTANCE OF 31.21 FEET;
2) THENCE NORTH 60 DEGREES 33 MINUTES 37 SECONDS WEST, A DISTANCE OF 181.97 FEET;
3) THENCE NORTH 28 DEGREES 37 MINUTES 23 SECONDS EAST, A DISTANCE OF 123.91 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 19; THENCE NORTH 89 DEGREES 22 MINUTES 31 SECONDS EAST, A DISTANCE OF 988.22 FEET TO THE POINT OF BEGINNING, CONTAINING 468,091 SQUARE FEET OR 10.75 ACRES, MORE OR LESS.

GARY LEAK, REGISTERED LAND SURVEYOR
COLORADO REGISTRATION NO. 26600
FOR AND ON BEHALF OF CLC ASSOCIATES INC.



PROJ #: 00.0199
DATE: 08-15-02
REV #: XXX
ASI #: XXX

SOUTHLANDS METROPOLITAN
DISTRICT NO. 1

SHEET 1

SOUTHLANDS DISTRICT EXHIBIT

8480 E. ORCHARD RD.
SUITE 2000
GREENWOOD VILLAGE
COLORADO 80111
P 303 770 3000
F 303 770 2349
CLC@8800.COM
ARCHITECTURE
ENGINEERING PLANNING
LANDSCAPE ARCHITECTURE
LAND SURVEYING



LEGAL DESCRIPTION SOUTHLANDS METROPOLITAN DISTRICT NO. 1 FUTURE BOUNDARIES

PARCEL 1

A PARCEL OF LAND IN SECTION 19, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN, ARAPAHOE COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, NORTH 89 DEGREES 16 MINUTES 25 SECONDS EAST, A DISTANCE OF 711.86 FEET TO THE CENTERLINE OF THE PROPOSED AURORA PARKWAY; THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID CENTERLINE;
1) THENCE SOUTH 32 DEGREES 05 MINUTES 09 SECONDS EAST, A DISTANCE OF 666.42 FEET;
2) THENCE ALONG THE ARC OF OF A CURVE TO THE RIGHT, WITH A RADIUS OF 1000.00 FEET AND A CENTRAL ANGLE OF 31 DEGREES 21 MINUTES 21 SECONDS, AN ARC DISTANCE OF 547.26 FEET WITH A CHORD BEARING OF SOUTH 16 DEGREES 24 MINUTES 28 SECONDS EAST, A DISTANCE OF 540.46 FEET;
3) THENCE SOUTH 00 DEGREES 43 MINUTES 48 SECONDS EAST, A DISTANCE OF 1551.82 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER; THENCE ALONG SAID SOUTH LINE, SOUTH 89 DEGREES 21 MINUTES 35 SECONDS WEST, A DISTANCE OF 301.46 FEET; THENCE SOUTH 00 DEGREES 04 MINUTES 50 SECONDS WEST, A DISTANCE OF 2,011.36 FEET TO THE NORTHERLY PRESCRIPTIVE RIGHT OF WAY LINE OF SMOKY HILL ROAD; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING ELEVEN (11) COURSES

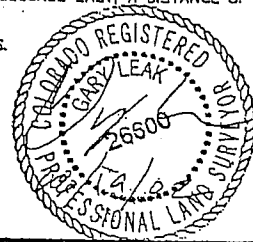
- 1) THENCE NORTHWESTERLY, ALONG THE ARC OF A 7,969.88 FEET RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 02 DEGREES 13 MINUTES 02 SECONDS, AN ARC DISTANCE OF 308.42 FEET WITH A CHORD BEARING OF NORTH 60 DEGREES 06 MINUTES 58 SECONDS WEST, A DISTANCE OF 308.40 FEET;
- 2) THENCE NORTH 58 DEGREES 54 MINUTES 50 SECONDS WEST, A DISTANCE OF 275.65 FEET TO A POINT OF NON TANGENT CURVATURE;
- 3) THENCE NORTHWESTERLY, ALONG THE ARC OF A 4970.00 FEET RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 00 DEGREES 34 MINUTES 57 SECONDS, AN ARC DISTANCE OF 50.53 FEET WITH A CHORD BEARING OF NORTH 58 DEGREES 37 MINUTES 22 SECONDS WEST, A DISTANCE OF 50.53;
- 4) THENCE NORTH 58 DEGREES 19 MINUTES 53 SECONDS WEST, A DISTANCE OF 214.76 FEET;
- 5) THENCE NORTH 56 DEGREES 38 MINUTES 31 SECONDS WEST, A DISTANCE OF 251.19 FEET;
- 6) THENCE NORTH 59 DEGREES 32 MINUTES 29 SECONDS WEST, A DISTANCE OF 1,088.12 FEET;
- 7) THENCE NORTH 29 DEGREES 24 MINUTES 51 SECONDS EAST, A DISTANCE OF 31.21 FEET;
- 8) THENCE NORTH 60 DEGREES 33 MINUTES 37 SECONDS WEST, A DISTANCE OF 161.97 FEET;
- 9) THENCE NORTH 28 DEGREES 37 MINUTES 23 SECONDS EAST, A DISTANCE OF 123.91 FEET;
- 10) THENCE SOUTH 89 DEGREES 22 MINUTES 31 SECONDS WEST, A DISTANCE OF 65.45 FEET;
- 11) THENCE NORTH 54 DEGREES 56 MINUTES 31 SECONDS WEST, A DISTANCE OF 500.45 FEET TO THE EASTERLY RIGHT OF WAY OF E-470; THENCE, ALONG SAID EASTERLY RIGHT OF WAY, THE FOLLOWING ELEVEN (11) COURSES:

- 1) THENCE NORTH 27 DEGREES 27 MINUTES 22 SECONDS EAST, A DISTANCE OF 36.36 FEET; 2) THENCE ALONG THE ARC OF A 971.47 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 29 DEGREES 20 MINUTES 05 SECONDS, AN ARC DISTANCE OF 497.38 FEET, WITH A CHORD BEARING OF NORTH 12 DEGREES 47 MINUTES 20 SECONDS EAST, A DISTANCE OF 491.97 FEET;
- 3) THENCE NORTH 01 DEGREES 09 MINUTES 16 SECONDS WEST, A DISTANCE OF 804.41 FEET;
- 4) THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 38.92 FEET;
- 5) THENCE NORTH 04 DEGREES 39 MINUTES 48 SECONDS WEST, A DISTANCE OF 664.30 FEET;
- 6) THENCE NORTH 13 DEGREES 52 MINUTES 37 SECONDS WEST, A DISTANCE OF 418.78 FEET;
- 7) THENCE NORTH 32 DEGREES 08 MINUTES 18 SECONDS WEST, A DISTANCE OF 105.75 FEET;
- 8) THENCE NORTH 17 DEGREES 40 MINUTES 38 SECONDS WEST, A DISTANCE OF 339.53 FEET;
- 9) THENCE NORTH 28 DEGREES 54 MINUTES 42 SECONDS WEST, A DISTANCE OF 151.82 FEET;
- 10) THENCE SOUTH 89 DEGREES 14 MINUTES 20 SECONDS WEST, A DISTANCE OF 105.50 FEET;
- 11) THENCE NORTH 24 DEGREES 04 MINUTES 13 SECONDS WEST, A DISTANCE OF 77.28 FEET TO THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19;

THENCE ALONG SAID NORTH LINE, NORTH 89 DEGREES 18 MINUTES 12 SECONDS EAST, A DISTANCE OF 1,843.39 FEET TO THE POINT OF BEGINNING,

CONTAINING 9,746,657 SQUARE FEET OR 223.75 ACRES, MORE OR LESS.

GARY LEAK, REGISTERED LAND SURVEYOR
COLORADO REGISTRATION NO. 26600
FOR AND ON BEHALF OF CLC ASSOCIATES INC.



PROJ #: 00.0199
DATE: 08-15-02
REV #: XXX
ASI #: XXX

SOUTHLANDS METROPOLITAN
DISTRICT NO. 1

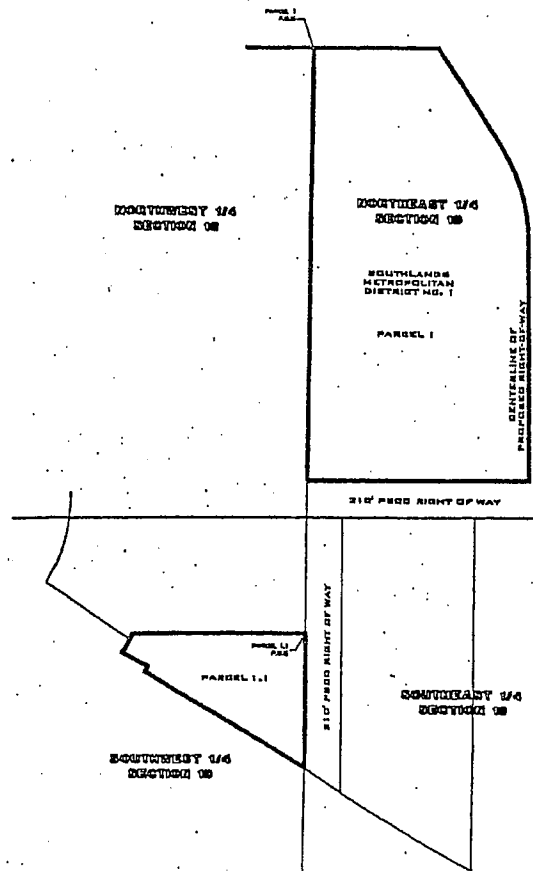
8480 E. ORCHARD RD.
SUITE 2000
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COLORADO 80111
P 303 770 3400
F 303 770 3249
CLCA390C.COM
ARCHITECTURE
ENGINEERING PLANNING
LANDSCAPE ARCHITECTURE
LAND SURVEYING



EXHIBIT B

Aurora Vicinity Map

SOUTHLANDS METROPOLITAN DISTRICT NO. 1 INITIAL BOUNDARIES



STEVE H. OLSON, REGISTERED LAND SURVEYOR
 COLORADO REGISTRATION NO. 24670
 FOR AND ON BEHALF OF CLC ASSOCIATES INC.

PROJ #: 00.0199
 DATE: 08-15-02
 REV #: XXX
 ASI #: XXX

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

8480 E. ORCHARD RD.
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 GREENWOOD VILLAGE
 COLORADO 80111
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 CLC@CSOR.COM

ARCHITECTURE
 ENGINEERING PLANNING
 LANDSCAPE ARCHITECTURE
 LAND SURVEYING



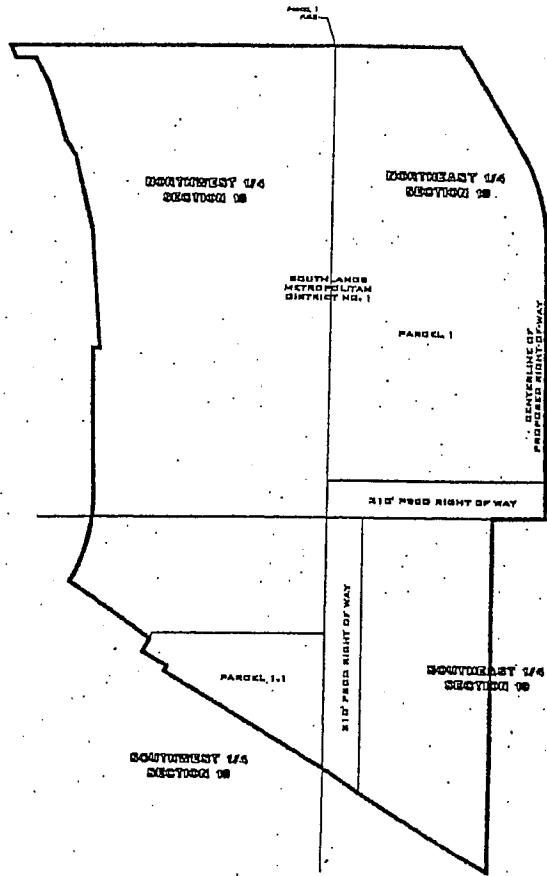
SHEET 1 SOUTHLANDS DISTRICT EXHIBIT

EXHIBIT C-2

Inclusion Area Boundary Map

SHEET 1 OF 1

SOUTHLANDS METROPOLITAN DISTRICT NO. 1 FUTURE BOUNDARIES



PROJ #: 00.0199
DATE: 08-15-02
REV #: XXX
ASI #: XXX

SOUTHLANDS METROPOLITAN
DISTRICT NO. 1

8480 E. ORCHARD RD.
SUITE 2000
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ENGINEERING PLANNING
LANDSCAPE ARCHITECTURE
LAND SURVEYING



SHEET 1 SOUTHLANDS DISTRICT EXHIBIT

EXHIBIT D

**AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT BETWEEN**

**THE CITY OF AURORA, COLORADO
AND
SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2004, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado ("City"), and SOUTHLANDS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Amended and Restated Service Plan approved by the City on _____, 2004 ("Service Plan"); and

WHEREAS, the City and the District entered into an intergovernmental agreement dated December 2, 2002 ("Original IGA"); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Aurora City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement") which will entirely replace and supersede the Original IGA.

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Service Plan) to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements, other than park and recreation improvements, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City.

2. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection

facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

3. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

4. Golf Course Construction. The District shall not be authorized to plan, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain a golf course unless such activity is pursuant to an intergovernmental agreement with the City.

5. Construction Standards. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction and of those special districts that qualify as "interested parties" under Section 32-1-204(1), C.R.S., as applicable. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

6. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

7. Inclusion. The District shall not include within its boundaries any property outside the Service Area (as defined in the Service Plan) without the prior written consent of the City Council.

8. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Service Plan), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

9. Total Debt Issuance. The District shall not issue Debt in excess of \$75,000,000.

10. Debt Issuance Limitation. The District shall not be authorized to incur any indebtedness until such time as the District has approved and executed the Agreement.

11. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the District without any limitation.

12. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with Southlands District No. 2.

13. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Mill Levy and the Maximum Mill Levy Imposition Term have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Mill Levy and the Maximum Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment.

14. Service Plan Amendment Requirement. Actions of the District which violate the limitations set forth in V.A.1-12 or VII.B-G of the Service Plan shall be deemed to be material modifications to the Service Plan and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

15. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the improvements contemplated herein. Specifically, the Districts shall enter into an Intergovernmental Agreement which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the improvements contemplated herein. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

16. Annual Report. The District shall be responsible for submitting an annual report to the Manager of the Office of Development Assistance of the City Manager's Office no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued, pursuant to the City Code and containing the information set forth in Section VIII of the Service Plan.

17. Regional Improvements. The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of obligations previously established pursuant to an Approved Development Plan for the Project.

18. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Southlands Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Blvd. #150
Lakewood, CO 80228
Attn: Deborah McCoy
Phone: (303) 987-0835
Fax: (303) 987-2032

with copy to: McGeady Sisneros, P.C.
1675 Broadway, Suite 2100
Denver, CO 80202
Attn: MaryAnn McGeady
Phone: 303-592-4380
FAX: 303-592-4385

To the City: City of Aurora
15151 E. Alameda Pkwy., 5th Floor
Aurora, CO 80012
Attn: Mike Hyman, City Attorney
Phone: (303) 739-7030
Fax: (303) 739-7042

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service

or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

19. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

20. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

21. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

22. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado.

23. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

24. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

25. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

26. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

28. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

[SIGNATURE PAGE TO INTERGOVERNMENTAL AGREEMENT]

SOUTHLANDS METROPOLITAN
DISTRICT NO. 1

By: _____
President

Attest:

Secretary

CITY OF AURORA, COLORADO

By: _____
Edward J. Tauer, Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____