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WHITE • BEAR • ANKELE
PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

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REBECCA V. AMENT
CYNTHIA M. BEYER-ULRICH
MELISSA E. RYAN
HEIDI JUHL*
CLINT C. WALDRON

August 28, 2006

VIA HAND DELIVERY

Nancy Bailey
Office of Development Assistance
City of Aurora
15151 Alameda Parkway, #5200
Aurora, CO 80012

Re: ARI Authority Establishment Agreement

Dear Nancy:

As requested at the meeting on July 26, 2006, attached for your review and consideration are copies of the ARI Authority Agreements required by the Aurora Model Service Plan. Our clients have determined to form these authorities as set forth below.

Aurora Regional Improvement Authority No. 1

Adonea Metropolitan District Nos. 1 and 2
Cross Creek Metropolitan District Nos. 1-3
East Plains Metropolitan District
High Plains Metropolitan District
Beacon Point Metropolitan District
Rockinghorse Metropolitan District Nos. 1 and 2

Aurora Regional Improvement Authority No. 2

Eastern Hills Metropolitan District Nos. 1-8
Senac South Metropolitan District Nos. 1-4
Southlands Metropolitan District No. 2
Wheatlands Metropolitan District Nos. 1-3
Green Valley Ranch East Metropolitan District Nos. 1-8

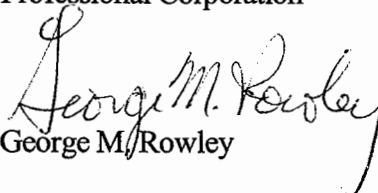
Aurora Regional Improvement Authority Nos. 3

Sand Creek Ranch Metropolitan District Nos. 1-3
Trails at First Creek Ranch Metropolitan District Nos. 1 and 2
StarFall Metropolitan District Nos. 1 and 2

This letter constitutes an offer to Aurora by each of the authorities to join each of the authorities.

Sincerely,

White, Bear & Ankele
Professional Corporation


George M. Rowley

ACKNOWLEDGEMENT

Received this _____ day of August, 2006, from White, Bear & Ankele Professional Corporation, the ARI Authority Establishment Agreement Nos. 1-3

City of Aurora, Office of Development Assistance

By: _____

Printed Name: _____

Title: _____

GMR: kmf
Enclosures
cc: Mike Hyman

**AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 1
ESTABLISHMENT AGREEMENT**

THIS AGREEMENT ("Agreement"), entered into as of the 25th day of August, 2006, by and between the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 ("Aurora Model Service Plan") which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement ("ARI Agreement Requirement"); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 2 (the "Authority") to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a "public entity" as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an "Enterprise" as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors ("Board") which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a "public entity" as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an "Enterprise" as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 29, 2006, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District's behalf. Upon execution by an Operating District, each District existing under such Operating District's Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority's performance of its obligations under this Agreement.

Article Two Organizational Structure

2.1. Board of Directors. The Authority's governing body shall be a Board of Directors ("Board") which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as "Members."

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement ("District IGA") that delegates decision making authority regarding the construction and financing of public improvements to a single district ("Operating District"), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Aurora shall be entitled to appoint one Board member regardless of its voting power described below.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is physically present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until the Member has provided the other Members with sixty (60) days written notice.

Article Three

Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each

Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four Powers of the Authority

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;
- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;

- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;
- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;
- U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of Colorado, Colorado Revised Statutes § 29-1-101 *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual

Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.3. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements.

5.4. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.5. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six
Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven
Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight
Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora: City of Aurora
 Attn: City Attorney
 15151 E. Alameda Pkwy.
 Suite 5300
 Aurora, CO 80012

District: Adonea Metropolitan District Nos. 1 and 2
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Cross Creek Metropolitan District Nos. 1-3
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: East Plains Metropolitan District
High Plains Metropolitan District
Beacon Point Metropolitan District
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Rockinghorse Metropolitan District Nos. 1 and 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be insubstantial and invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor

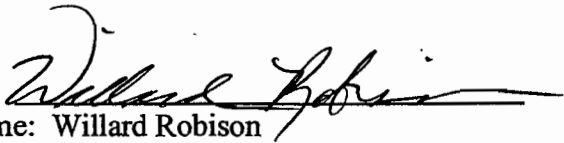
ATTEST:

By: _____
Clerk and Recorder

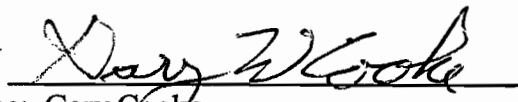
APPROVED AS TO FORM:

By: _____
City Attorney

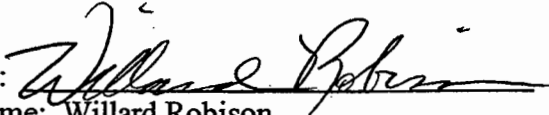
ADONEA METROPOLITAN DISTRICT NOS. 1
and 2 by ADONEA METROPOLITAN
DISTRICT NO. 1

By: 
Name: Willard Robison
Title: President

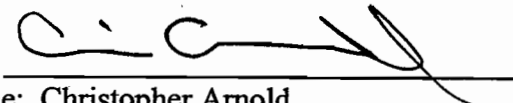
ATTEST:

By: 
Name: Gary Cooke
Title: Secretary/Treasurer

CROSS CREEK METROPOLITAN DISTRICT
NOS. 1-3 by CROSS CREEK METROPOLITAN
DISTRICT NO. 1

By: 
Name: Willard Robison
Title: President

ATTEST:

By: 
Name: Christopher Arnold
Title: Secretary/Treasurer

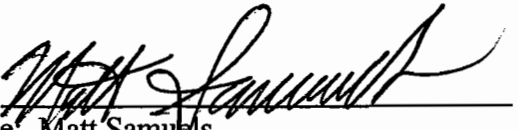
EAST PLAINS METROPOLITAN DISTRICT
HIGHPLAINS METROPOLITAN DISTRICT
BEACON POINT METROPOLITAN DISTRICT
By EAST PLAINS METROPOLITAN
DISTRICT

By: Gary W Cooke
Name: Gary Cooke
Title: Vice President


ATTEST:

By: Willard Robison
Name: Willard Robison
Title: Secretary/Treasurer

ROCKINGHORSE METROPOLITAN
DISTRICT NOS. 1 and 2 by ROCKINGHORSE
METROPOLITAN DISTRICT NO. 1

By: 
Name: Matt Samuels
Title: President

ATTEST:

By: 
Name: Willard Robison
Title: Secretary/Treasurer

**AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 2
ESTABLISHMENT AGREEMENT**

THIS AGREEMENT ("Agreement"), entered into as of the 24th day of August, 2006, by and between the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 ("Aurora Model Service Plan") which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement ("ARI Agreement Requirement"); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 2 (the "Authority") to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a "public entity" as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an "Enterprise" as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority No. 2. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors ("Board") which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a “public entity” as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an “Enterprise” as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 29, 2006, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District’s behalf. Upon execution by an Operating District, each District existing under such Operating District’s Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority’s performance of its obligations under this Agreement.

Article Two Organizational Structure

2.1. Board of Directors. The Authority’s governing body shall be a Board of Directors (“Board”) which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as “Members.”

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement (“District IGA”) that delegates decision making authority regarding the construction and financing of public improvements to a single district (“Operating District”), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Aurora shall be entitled to appoint one Board member regardless of its voting power described below. Notwithstanding the foregoing, Green Valley Ranch East Metropolitan District Nos. 1-8 shall only be entitled to appoint (1) one board member and collectively shall only have (1) one vote.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is physically present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until the Member has provided the other Members with sixty (60) days written notice.

Article Three

Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from

the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four Powers of the Authority

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;

- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;
- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;
- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;

U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of Colorado, Colorado Revised Statutes § 29-1-101 *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional

Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.4. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements.

5.5. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.6. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six
Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven
Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight
Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora:	City of Aurora Attn: City Attorney 15151 E. Alameda Pkwy. Suite 5300 Aurora, CO 80012
District:	Eastern Hills Metropolitan District Nos. 1-8 White, Bear & Ankele, Professional Corporation 1805 Shea Center Drive, Suite 100 Highlands Ranch, CO 80129

District: Senac South Metropolitan District Nos. 1-4
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Southlands Metropolitan District No. 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Wheatlands Metropolitan District Nos. 1-3
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Green Valley Ranch East Metropolitan District Nos. 1-8
Miller & Rosenbluth, LLC
700 17th Street, Suite 2200
Denver, CO 80202

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be insubstantial and invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor


ATTEST:

By: _____
Clerk and Recorder

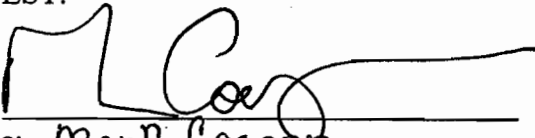
APPROVED AS TO FORM:

By: _____
City Attorney


EASTERN HILLS METROPOLITAN
DISTRICT NOS. 1, 2 and 4-8 by EASTERN
HILLS METROPOLITAN DISTRICT NO. 1

By: 
Name: Leland Alpert
Title: President

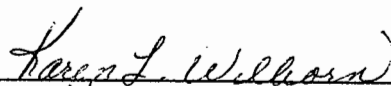
ATTEST:

By: 
Name: Marc Cooper
Title: Secretary

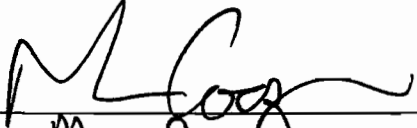
EASTERN HILLS METROPOLITAN
DISTRICT NO. 3

By: 
Name: Thomas J. Mossallu
Title: _____

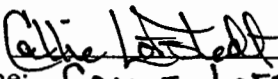
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

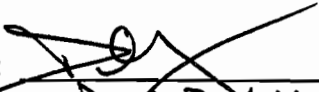
SENAC SOUTH METROPOLITAN DISTRICT
NOS. 1-4 by SENAC SOUTH METROPOLITAN
NO. 1

By: 
Name: MARC COOPER
Title: _____

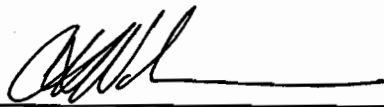
ATTEST:

By: 
Name: CARRIE LOFSTEDT
Title: _____


WHEATLANDS METROPOLITAN DISTRICT
NOS. 1-3 by WHEATLANDS
METROPOLITAN DISTRICT NO. 1

By: 
Name: David J. Goldberg
Title: President

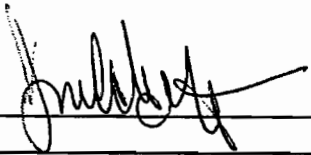
ATTEST:

By: 
Name: KILEY WILSON
Title: SECRETARY / TREASURER


SOUTHLANDS METROPOLITAN DISTRICT
NO. 2

By: 
Name: Peter M. Gallop
Title: Mayor

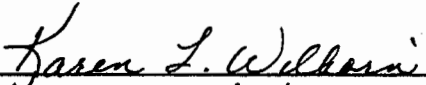
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By: 
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Title: _____

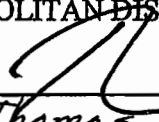
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 1

By: 
Name: Thomas J. Mussallem
Title: President

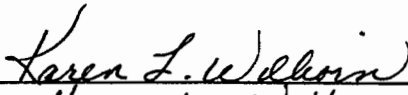
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

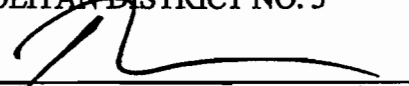
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 2

By: 
Name: Thomas J. Mussallem
Title: President

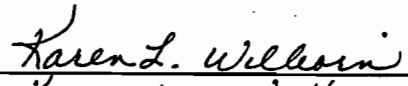
ATTEST:

By: 
Name: Karen L. Wilboen
Title: Accountant

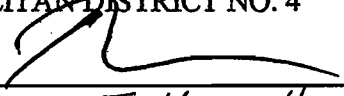
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 3

By: 
Name: Thomas J. Mussallem
Title: President


ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

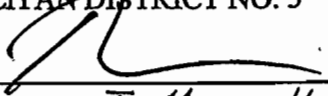
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 4

By: 
Name: Thomas J. Mussallem
Title: President

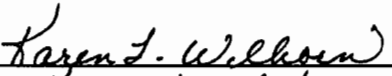
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

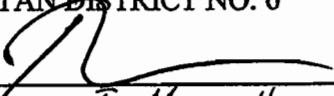
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 5

By: 
Name: Thomas J. Mussallem
Title: President

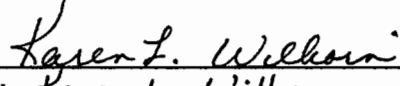
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

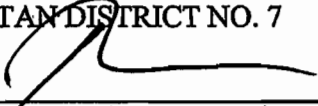
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 6

By: 
Name: Thomas J. Mussallem
Title: President

ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

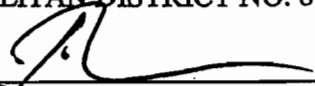
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 7

By: 
Name: Thomas J. Mussallem
Title: President

ATTEST:

By: Karen L. Wilborn
Name: Karen L. Wilborn
Title: Accountant

GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 8

By: 
Name: Thomas J. Mussalle
Title: President

ATTEST:

By: Karen L. Wilborn
Name: Karen L. Wilborn
Title: Accountant

**AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 3
ESTABLISHMENT AGREEMENT**

THIS AGREEMENT ("Agreement"), entered into as of the 10th day of August, 2006, by and between the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 ("Aurora Model Service Plan") which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement ("ARI Agreement Requirement"); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 3 (the "Authority") to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a "public entity" as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an "Enterprise" as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One

General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors ("Board") which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a “public entity” as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an “Enterprise” as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 29, 2006, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District’s behalf. Upon execution by an Operating District, each District existing under such Operating District’s Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority’s performance of its obligations under this Agreement.

Article Two

Organizational Structure

2.1. Board of Directors. The Authority’s governing body shall be a Board of Directors (“Board”) which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as “Members.”

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement (“District IGA”) that delegates decision making authority regarding the construction and financing of public improvements to a single district (“Operating District”), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Aurora shall be entitled to appoint one Board member regardless of its voting power described below.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is physically present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until the Member has provided the other Members with sixty (60) days written notice.

Article Three Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each

Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four **Powers of the Authority**

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;
- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;

- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;
- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;
- U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five

Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of Colorado, Colorado Revised Statutes § 29-1-101 *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual

Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.3. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements.

5.4. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.5. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six
Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven
Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight
Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora: City of Aurora
 Attn: City Attorney
 15151 E. Alameda Pkwy.
 Suite 5300
 Aurora, CO 80012

District: Sand Creek Ranch Metropolitan District Nos. 1-3
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: StarFall Metropolitan District Nos. 1 and 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Trails at First Creek Ranch Metropolitan District Nos. 1 and 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be insubstantial and invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party

hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor

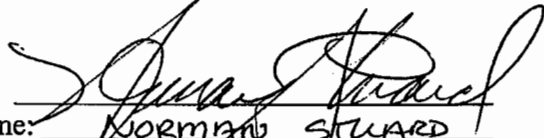
ATTEST:

By: _____
Clerk and Recorder


APPROVED AS TO FORM:

By: _____
City Attorney

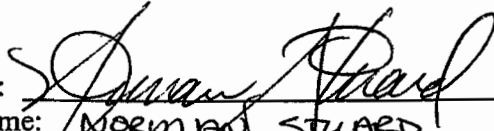
STARFALL METROPOLITAN DISTRICT
NOS. 1 and 2 by STARFALL METROPOLITAN
DISTRICT NO. 1

By: 
Name: NORMAN STUARD
Title: PRESIDENT

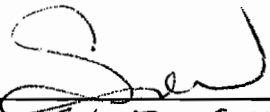
ATTEST:


By: Andy Chaikovsky
Name: Secretary
Title: Secretary

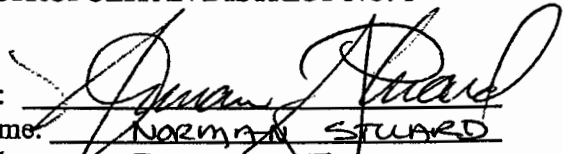
SAND CREEK RANCH METROPOLITAN
DISTRICT NOS. 1-3 by SAND CREEK RANCH
METROPOLITAN DISTRICT NO. 1

By: 
Name: NORMAN STUARD
Title: PRESIDENT

ATTEST:

By: 
Name: SHAE STUARD
Title: SECRETARY

TRAILS AT FIRST CREEK RANCH
METROPOLITAN DISTRICT NOS. 1 and 2 by
TRAILS AT FIRST CREEK RANCH
METROPOLITAN DISTRICT NO. 1

By: 
Name: NORMAN STUARD
Title: PRESIDENT

ATTEST:

By: 
Name: SHAE STUARD
Title: SECRETARY

McGEADY SISNEROS, P.C.

ATTORNEYS AT LAW

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CATHERINE A. WOODS

SPECIAL COUNSEL
KENNETH M. KOPROWICZ
ANNE K. LAPORTA

August 29, 2006

VIA HAND DELIVERY

Mr. Michael Hyman
Assistant City Attorney
City of Aurora
15151 E. Alameda Pkwy., 5th Floor
Aurora, CO 80012

Re: ARTA Establishment Agreement

Dear Mike:

This letter and its enclosures constitute establishment of an authority to collect and manage the ARI Mill Levy imposed on properties within our client districts' boundaries. Each of the Districts (defined below) operate pursuant to Service Plans approved by the City of Aurora ("City") on August 30, 2004 (the "Service Plans"). Section VI.A. of the Service Plans, and Section 18(a) of Intergovernmental Agreements (the "Requirements") between each of the respective Districts and the City ("IGAs"), provide as follows:

"If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than 30% and no more than 49% of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement regardless as to whether the City approves execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority. . ."

In satisfaction of the Requirements, enclosed is one fully executed ARTA Establishment Agreement (the "Establishment Agreement") approved and executed by the Boards of Directors of each of the following "Districts":

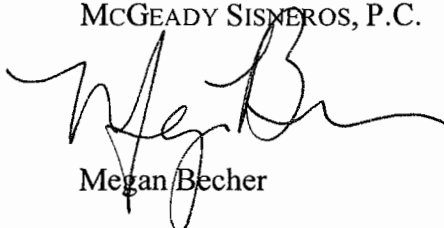
1. Aurora High Point at DIA Metropolitan District;
2. Colorado International Center Metropolitan District No. 1;
3. Colorado International Center Metropolitan District No. 3;
4. Colorado International Center Metropolitan District No. 4;
5. Colorado International Center Metropolitan District No. 5;
6. Colorado International Center Metropolitan District No. 6;
7. Colorado International Center Metropolitan District No. 7;
8. Colorado International Center Metropolitan District No. 8;
9. Colorado International Center Metropolitan District No. 9;
10. Colorado International Center Metropolitan District No. 10;
11. Colorado International Center Metropolitan District No. 11;
12. EastGate Commercial Metropolitan District;
13. EastPark 70 Metropolitan District;
14. Park 70 Metropolitan District;
15. Sagebrush Metropolitan District No. 1;
16. Sagebrush Metropolitan District No. 2;
17. Sorrel Ranch Metropolitan District;
18. WH Metropolitan District No. 1; and
19. Windler Homestead Metropolitan District.

Further, in compliance with the Requirements and as set forth in the Establishment Agreement, the Districts hereby offer the City the opportunity to become a party to the Establishment Agreement and a member of ARTA. In order for the City to become a member of the ARTA, the City must: (a) execute the 20 signature pages included with the enclosed Establishment Agreement; (b) retain one fully executed copy of the Establishment Agreement for the City's records; and (c) return the remaining 19 signature pages for the Districts' records. Please note Section 3(c) of the Establishment Agreement provides the opportunity for the City to appoint no less than 30% of the board seats of ARTA if they become a party to the Establishment Agreement.

We believe this fulfills all of the Requirements on behalf of the Districts. Should you have any questions regarding this correspondence or the Establishment Agreement, please do not hesitate to call. The Districts look forward to the City's response.

Very truly yours,

McGEADY SISNEROS, P.C.



Megan Becher

MB

c: Nancy Bailey, City of Aurora
Districts Boards of Directors

ARTA ESTABLISHMENT AGREEMENT

This Aurora Regional Transportation Authority ("ARTA") Establishment Agreement ("Agreement") is entered into this 22nd day of August, 2006, between and among AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 1, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 5, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 6, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 7, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 8, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 9, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 10, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 11, EASTGATE COMMERCIAL METROPOLITAN DISTRICT, EASTPARK 70 METROPOLITAN DISTRICT, PARK 70 METROPOLITAN DISTRICT, SAGEBRUSH METROPOLITAN DISTRICT NO. 1, SAGEBRUSH METROPOLITAN DISTRICT NO. 2, SORREL RANCH METROPOLITAN DISTRICT, WH METROPOLITAN DISTRICT NO. 1 and WINDLER HOMESTEAD METROPOLITAN DISTRICT all quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" and collectively, "Districts") and the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado ("City").

RECITALS

A. WHEREAS, each of the Districts has a Service Plan approved by the City in August, 2004;

B. WHEREAS, each Service Plan includes provisions authorizing each District to provide, plan for, acquire, construct, install, relocate and/or redevelop Regional Improvements (as such term is defined in the Districts' Service Plans) in each District's respective Service Plan Area;

C. WHEREAS, in order to fund such Regional Improvements and the overhead and administration costs related to them, each District is mandated to impose the ARI Mill Levy (as such term is defined in the Districts' Service Plan);

D. WHEREAS, each District is authorized to issue debt for the funding of the Regional Improvements, in an amount set forth in each District's respective Service Plan;

E. WHEREAS, in order for a District with an Approved Development Plan Area to participate in the planning and control of funding for the Regional Improvements, a District must enter into this Agreement with a minimum of two other Title 32 special districts from two or more Approved Development Plan Areas;

F. WHEREAS, pursuant to Section 29-1-203, C.R.S., the Districts may cooperate or contract with one another to provide any function, service or facility lawfully authorized, and may form a separate legal entity to do so;

G. WHEREAS, all the Districts hereto desire to establish the ARTA, which shall plan for the Regional Improvements and to which each District shall convey the ARI Mill Levy collected by that District in order to fund such Regional Improvements; and

H. WHEREAS, the Districts desire to set forth the duties and powers of the ARTA and its Board of Directors.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Districts herein, the Districts agree as follows:

1. **Establishment of the ARTA; Service Area.** Pursuant to Section 29-1-203, C.R.S., there is hereby created and established a separate legal entity known as the Aurora Regional Transportation Authority ("ARTA") (herein referred to as the "ARI Authority"), the service area of which shall consist of the combined Service Areas of the Districts. This ARI Authority shall be established as of the date this Agreement has been executed by the Districts, regardless of the City's standing as a party to this Agreement.

2. **Powers and Purposes.** The purpose of the ARI Authority is to effect the development of the Regional Improvements, in whole or in part, for the benefit of the Districts and their inhabitants, and others. The functions, services and general powers of the ARI Authority are, to the extent permitted by law, as follows:

(a) To plan, design, acquire, construct, install, relocate and/or redevelop and finance the Regional Improvements;

(b) To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any legal or equitable interest in real or personal property utilized for the authorized purposes of the ARI Authority;

(c) To conduct its business and affairs for the benefit of the Districts and their inhabitants and others, in the discretion of the Board of Directors;

(d) To enter into, make and perform contracts of every kind with the Districts, the United States, any state or political subdivision thereof, or any city, town, municipality, city and county, any special district formed pursuant to Title 32, Colorado Revised Statutes, or any predecessor thereof, or any individual, firm, association, partnership, corporation or any other organization of any kind with the capacity to contract for any of the purposes contemplated under this Agreement;

(e) To employ agents and employees;

(f) To incur debts, liabilities, or obligations to the extent and in the manner permitted by law and as provided herein, and to borrow money and, from time to time, to make, accept, endorse, execute, issue and deliver bonds, notes and other obligations of the ARI

Authority for monies borrowed or in payment for property acquired, or for any of the other authorized purposes of the ARI Authority, and as provided by law, and to the extent permitted by law to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues and privileges of the ARI Authority. The bonds, notes and any other obligations of the ARI Authority shall not themselves be the debts, liabilities or obligations of the Districts or the City;

(g) To buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey, and otherwise dispose of, and to mortgage, pledge, hypothecate, and otherwise encumber real and personal property of every kinds, tangible and intangible, utilized for the purposes of the ARI Authority;

(h) To construct and maintain works and establish and maintain facilities across or along any public street or highway, provided the ARI Authority shall promptly restore any such street or highway to its former state of usefulness. In the use of streets or highways, the ARI Authority shall be subject to the reasonable rules and regulations of the City;

(i) To fix, maintain and revise fees, rates and charges for the use of the ARI Authority's functions, services or facilities, and to adopt, by resolution, reasonable regulations for the public welfare and pertaining to such facilities and services, including, without limitation, the use and protection of such facilities and services;

(j) To sue and be sued in the name of the ARI Authority;

(k) To have and use a corporate seal;

(l) In general, to exercise all powers which are now conferred by law upon a separate legal entity organized pursuant to Section 29-1-203, C.R.S., or essential to the provision of its functions, services and facilities, subject to such limitations as are or may be prescribed by law or herein;

(m) To own, operate and manage the Regional Improvements as set forth herein in Section 10, and to cooperate with other governmental entities with regard to the Regional Improvements;

(n) To collect and administer the ARI Mill Levy for all such purposes above, subject to the terms of this Agreement.

3. **Governing Body.** The ARI Authority shall be governed and directed by a Board of Directors ("Board"), according to the following:

(a) **Appointment of Directors by Districts.** Each District shall appoint one Director to the Board, who shall serve at the pleasure of the appointing District.

(b) **City Participation on the Board.** If and when the City approves of and becomes a party to this Agreement, the City may hold thirty percent (30%), and no more, of the Board seats of the ARI Authority.

(c) **Tenure.** Each Director term shall be three years. However, upon the expiration of a term or other early vacancy, a Director shall continue to serve until a successor has been appointed by the District on whose behalf the Director sits on the Board.

(d) **Compensation.** Directors may receive compensation for their services from the ARI Authority in a manner similar to directors of special districts under the Colorado Special District Act, as that Act may be amended from time to time. The ARI Authority Board shall adopt a resolution implement this provision before any compensation is paid to any Director.

(e) **Meetings.** Regular meetings of the Board shall be held on such place, on such day, and at such hour as the Board shall, by resolution, from time to time establish. It is hereby mandated that at least one regular meeting shall be held annually. Special meetings may be held at any time and at any place within the State of Colorado either (i) when attended by Directors representing all Districts or (ii) upon seventy-two (72) hours written notice delivered to the home or place of employment of each Director, unless such notice is waived in writing by a Director at such meeting. The President or Vice-President may, and upon the request of two Directors, shall, call a special meeting of the Board.

(f) **Quorum.** A majority of the number of Directors in office shall constitute a quorum for the transaction of business, but if less than a majority of the Directors then in office is present at a meeting, a majority of the Directors present, or if none are present, the Secretary or other officer may adjourn the meeting to a different time and place, and in such case the Secretary shall notify absent Directors of the time and place of such adjourned meeting.

(g) **Powers.** The powers and duties of the Board, which shall be exercised by approval of a majority of the Directors present, unless otherwise specified herein, provided a quorum is present (as defined in Section 3(f)), above, is empowered to:

(i) establish an ARI Master Plan for the ARI Authority, such plan to be established no later than such time when a minimum of \$500,000 of ARI Mill Levy revenues has been collected under this Agreement (whether spent or not);

(ii) develop a Regional Improvement Plan, such plan to be established no later than such time when a minimum of \$500,000 of ARI Mill Levy revenues has been collected under this Agreement (whether spent or not);

(iii) govern the business and affairs of the ARI Authority and to establish the policies, rules and regulations of the ARI Authority;

(iv) exercise all power of the ARI Authority as set forth in Section 2 herein, including but not limited to:

(1) electing officers of the Board;

- (2) adopting operating and capital budgets;
- (3) reporting to the Districts on the progress of plans for and development of the Regional Improvements;
- (4) keeping minutes of its proceedings
- (5) establishing By-Laws of the Board and adopting, by resolution, regulations respecting the exercise of the ARI Authority's powers and purposes;
- (6) complying with the provisions of Parts 1,5 and 6, Article 1, Title 29, C.R.S. 1973, as amended;
- (7) authorizing the employment of such employees, agents, consultants and contractors, as in the discretion of the Board may be necessary, subject to the limitations of any adopted budgets.

(h) **Voting; Weighting of Votes.** Each Director shall have one vote, with each Director's vote weighted so that it shall have an equal proportionate value (i) within the seventy percent (70%) of the non-City Director votes, if the City becomes a party to this Agreement and assumes its thirty percent (30%) of the Board votes, or, (ii) if the City does not become a party to this Agreement or does not assume any Board votes, relative to the total number of Board votes. The City, if a party to this Agreement, shall be entitled to Board votes weighted at but never exceeding thirty-percent (30%) of the total Board votes, no matter how many Directors the City seats on the Board. If a District is dissolved with the result that the City takes the dissolved District's Board seat, the weight of the remaining Districts' Director's votes shall be re-weighted immediately so that the City is limited at all times to a maximum of thirty percent (30%) of the total voting rights of the Board.

(i) **Super-Majority Vote Requirements.** Notwithstanding anything herein to the contrary, a Super-Majority vote of the Board (defined for purposes of this Agreement as approval by at least seventy percent (70%) of the Board votes) shall be required for approval of the ARI Master Plan, creation of debt, approval of the annual operating and maintenance and Regional Improvement budgets, termination or amendment of this Agreement, and as otherwise specified in this Agreement.

4. **Officers.** The officers of the ARI Authority shall be a President, Vice-President, Secretary and Treasurer and such other officers and assistant officers as may be authorized by the Board from time to time to perform such duties as may be approved by the Board. The President, Vice-President, Secretary and Treasurer shall be elected and may be removed only upon a Super-Majority vote of the Board. Each officer shall serve for a term of one calendar year (except that the terms of the initial officers may be less than one full year) or until his or her successor is duly appointed.

(a) **Duties.** In addition to duties designated by the Board, the duties of the officers shall include the following:

(i) The President shall preside at all meetings of the Board and, except as otherwise delegated by the Board, shall execute all legal instruments of the ARI Authority;

(ii) The Vice-President shall, in the absence of the President, or in the event of his or her inability or refusal to act, perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as may be prescribed by the Board from time to time.

(iii) The Secretary shall maintain the official records of the ARI Authority, including the minutes of the meetings of the Board, and a register of the names and addresses of the Districts, Directors and officers and shall issue notice of meetings, attest and affix the corporate seal to all documents of the ARI Authority and perform such other duties as the Board may prescribe from time to time.

(iv) The Treasurer shall serve as financial officer of the Authority and except as the Board may otherwise decide by resolution, shall be responsible for the receipt, custody, investment and disbursement of the ARI Authority's funds and securities and for duties incident to the office of Treasurer, and shall perform such other duties as the Board may prescribe from time to time.

(b) **Bonds.** The Treasurer and any other officer, employee or agent of the ARI Authority charged with responsibility for the custody of any of its funds or property shall give a fidelity bond in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the ARI Authority to give fidelity bond in such amount and with such surety as it shall determine. The cost of such fidelity bond shall be an expense payable by the ARI Authority.

(c) **ARI Authority Budget.** The Board, in consultation with the Districts, shall have the duty to prepare and recommend a preliminary annual operating budget for the ARI Authority on or before September 1 of each planning year. Budget review and approval by a Super-Majority of the Board shall occur prior to November 1 of each planning year. If the Board fails to approve the budget, the preliminary budget documents shall become the final budget for that planning year. Each annual budget shall include

(i) an operating and maintenance budget, as well as a separately broken out Regional Improvement (capital) budget for the forthcoming year; and

(ii) if applicable, a schedule of payments to be made on issued and/or to be issued bonds of the ARI Authority; and

(iii) a schedule for bond issuances by the ARI Authority; and

(iv) provisions for the payment of any shortfalls in ARI Mill Levy funds as set forth in Section 5 below.

(v) **District Affirmative Duty to Include in District Budget.** The Districts will each receive a copy of the preliminary and final budgets. Each District has the

affirmative duty to (1) incorporate that proportion of shortfalls due from it, as set forth in Sections 4(c)(iv) and 5, into their annual District budgets, (2) authorize the payment of such shortfall amount, and (3) pass a funding resolution for the same.

The ARI Authority budget may be amended as necessary to reflect changes in actual revenues and/or expenses.

5. Operational and Maintenance Costs of ARI Authority; Shortfalls.

(a) First Use of ARI Mill Levy Funds. The first use of any ARI Mill Levy funds held by the ARI Authority shall be for payment of the ARI Authority's operational and maintenance expenses. By signing this Agreement, each District is committing its ARI Mill Levy funds for this purpose, without the need for further or recurring approval by a District. This commitment is non-discretionary and non-revocable so long as a District is a member of the ARI Authority.

(b) Proportionate Share of Shortfalls; Payment of Shortfalls. Any shortfall in funds for ARI Authority operational and maintenance expenses shall be shared by all parties to this Agreement, proportionately, based on the relative annual assessed value of each District. The proportionate share of each District shall be reallocated annually, based on annual assessments. The City's proportionate share, if it becomes a party to this Agreement, shall be limited to a share equal to that of the largest proportional District's. Notice of shortfalls and each member's proportionate share of such shortfalls shall be provided in writing to each District by the Board or its designee. Payment of each District's proportionate share of any operational and maintenance expense shortfall shall be due within ten (10) calendar days after receipt of written notice from the Board.

(c) Later-Joining Parties. Any party to this Agreement joining after the initial execution date of this Agreement shall be responsible for what would have been its proportionate share of any ARI Authority shortfall amounts attributable to formation costs of the ARI Authority, as calculated under Section 5(b) herein, as though that party was an initial member of the ARI Authority. Payment of such amounts shall be due within ten (10) days of that party's admission as a member of the ARI Authority. From the date of admission forward, that party shall be responsible for its proportionate share of any shortfall amounts as set forth in this Section 5.

(d) Reimbursement of Shortfall Fundings. The ARI Authority shall reimburse each District for any funds advanced by that District under this Section 5 as ARI Mill Levy revenues allow, in the discretion of the Board.

6. ARI Authority Membership. Initial membership in the ARI Authority shall be initially limited to the Districts and, upon approval of the Agreement by the City, the City.

(a) Admission of Members: Admission of additional members shall be upon a majority vote of the Board.

(b) Resignation of Member: The District parties to this agreement contemplate that they may, over time, wish to become a part of another ARI authority, or wish to

forfeit their membership in an ARI authority altogether. To that end, a District which is a member of this ARI Authority may resign its membership upon thirty (30) days written notice to the Board. This resignation process will be effective until the point in time where the ARI Authority has only four remaining District members. At the point only four District members remain, the resignation of a member will require a Super-Majority vote of the Board. Resignation of a District or the City from this ARI Authority shall not extinguish that entity's obligations under this Agreement, as they exist on the effective date of that entity's resignation, to perform any financial commitments made to the ARI Authority, including contributions, collections of mill levy revenues and payment of its pro rata share of indebtedness incurred by the ARI Authority, but specifically excluding the funding of any shortfalls (as set forth in Section 5(b)) which occur after the member's resignation.

7. **Conveyance of ARI Mill Levy Revenues.** Each District hereby agrees to collect, itself or through the ARI Authority, as the Board determines, the ARI Mill Levy revenues due it, and to convey them to the ARI Authority. Such conveyances shall be within the time limitations and according to procedures developed by the Board. All revenues shall be held by the ARI Authority in one fund until such time as the revenues are disbursed under the terms of this Agreement.

8. **Regional Improvement Expenses; Expenditures of Mill Levy on Regional Improvements; Cost Sharing.** Regional Improvement expenses shall be paid from the ARI Mill Levy fund established by the ARI Authority or by issuance of bonds secured by the ARI Mill Levy. Notwithstanding anything to the contrary however, ARI Mill Levy funds derived from a particular member District cannot be committed to a specific Regional Improvement project unless that District agrees to so fund the project by vote or in writing. Additionally, a particular Regional Improvement project may be cost-shared with another ARI authority, another special district not associated with an ARI authority, with a developer, or with the City, however only those Districts which agree to the cost-sharing arrangement (and thereby, the underlying project) shall commit ARI Mill Levy funds derived from their District to such a project.

9. **Rules and Regulations.** Rules and Regulations for construction and acquisition of Regional Improvements will be developed by the Board with input from the Districts. Such Rules and Regulations shall include a limitation of ARI Authority powers whereby the ARI Authority is prevented from acquiring, constructing, installing, relocating, redeveloping or financing a Regional Improvement unless an executed agreement exists delineating acceptance of such Regional Improvement by the City or other governmental entity. Notwithstanding the foregoing, the ARI Authority shall have the power to spend ARI Mill Levy funds on planning engineering for a Regional Improvement prior to an agreement of acceptance by the City or other governmental entity.

10. **Ownership and Dedication of Regional Improvements, Maintenance and Improvements.** The ARI Authority shall own, operate and maintain all Regional Improvements paid for in whole or in part from ARI Authority funds unless and until the same are dedicated to the City or another appropriate governmental entity or owner's association for perpetual ownership and maintenance. The transfer of ownership of any Regional Improvement so funded shall occur upon a majority vote of the Board.

11. **Term; Termination.** This Agreement shall remain in full force and effect until the defeasance of any bond or other debt incurred with respect to any Regional Improvements funded under this Agreement, or until the ARI Mill Levy expires or is terminated, whichever last occurs.

12. **Notices.** All notices, demands, requests or other communications to be sent by one party to another 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: Aurora High Point at DIA Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 3
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 4
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 5
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 6
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 7
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 8
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 9
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 10
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 11
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Eastgate Commercial Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn

(303) 987-0835
(303) 987-2032 (fax)

To: Eastpark 70 Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Park 70 Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Sagebrush Metropolitan District No. 2
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
(303) 987-0835
(303) 987-2032 (fax)

To: Sorrell Ranch Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: WH Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Windler Homestead Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

With a Copy to: McGeedy Sisneros
1675 Broadway, Suite 2100

Denver, CO 80202
(303) 592-4380
(303) 592-4385 (fax)

To: The City of Aurora
15151 East Alameda Parkway
Aurora, CO 80012
Attn: _____

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 parties hereto at least ten (10) days written notice thereof in accordance the provisions hereof, each of the Parties shall have the right from time to time to change its address.

13. **Assignment.** The parties hereto shall not assign any of their rights or delegate any of their duties hereunder to any person or entity without having first obtained the prior written consent of the Board, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

14. **Default/Remedies.** In the event of a breach or default of this Agreement by any party, the non-defaulting parties 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 substantially prevailing party in such proceeding shall be awarded as part of its judgment or award its reasonable attorneys' fees.

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

16. **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.

17. **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.

18. **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 Districts, the ARI Authority 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 Districts, the ARI Authority and the City shall be for the sole and exclusive benefit of the Districts, ARI Authority and City.

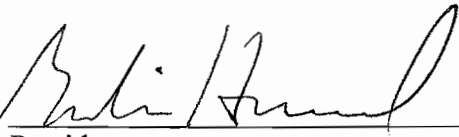
19. **Severability**. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention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

20. **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.

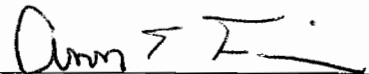
21. **Paragraph Headings**. Paragraph headings are inserted for convenience of reference only.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

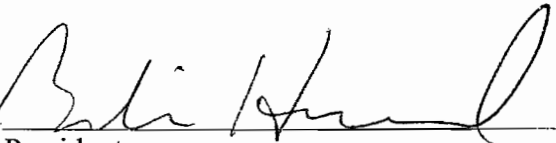
AURORA HIGH POINT AT DIA
METROPOLITAN DISTRICT, a quasi-municipal
corporation and political subdivision of the State of
Colorado

By: 
Its: President

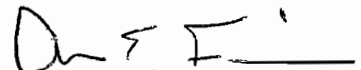
Attest:


Secretary

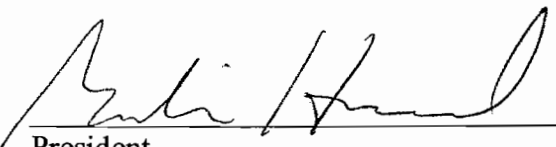
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 1, a quasi-
municipal corporation and political subdivision of
the State of Colorado

By: 
Its: President

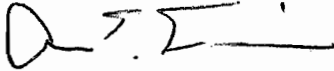
Attest:


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 3, a quasi-
municipal corporation and political subdivision of
the State of Colorado

By: 
Its: President

Attest:



Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 4, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 5, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

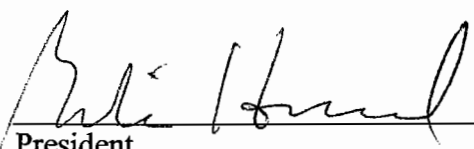
Attest:

Secretary

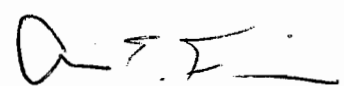
Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 4, a quasi-
municipal corporation and political subdivision
of the State of Colorado

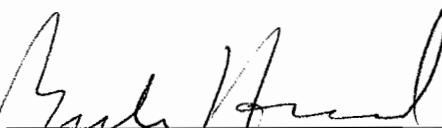
By: 
Its: President

Attest:

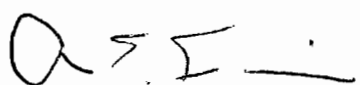


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 5, a quasi-
municipal corporation and political subdivision
of the State of Colorado


By: 
Its: President

Attest:

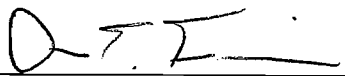


Secretary

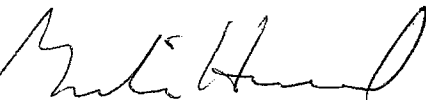
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 6, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

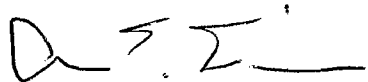
Attest:


Secretary

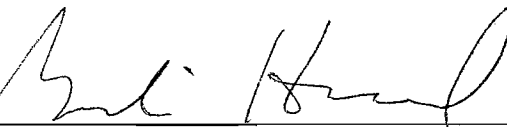
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 7, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

Attest:


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 8, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

Attest:

Q.T.I.
Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 9, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: Anti Hamed
Its: President

Attest:

Q.T.I.
Secretary

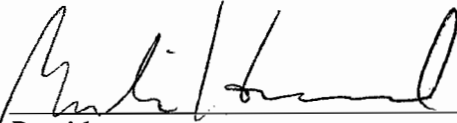
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METROPOLITAN DISTRICT NO. 10, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: Anti Hamed
Its: President

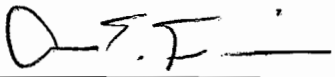
Attest:

Q.T.I.
Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

Attest:


Secretary

EASTGATE COMMERCIAL
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

Attest:

Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

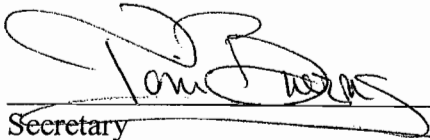
Attest:

Secretary

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municipal corporation and political subdivision
of the State of Colorado

By:  _____
Its: President

Attest:



Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
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By: _____
Its: President

Attest:

Secretary

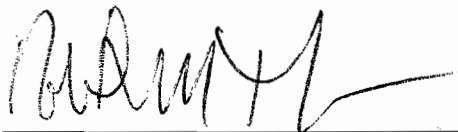
EASTGATE COMMERCIAL
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of the State of Colorado

By: _____
Its: President

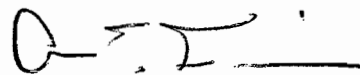
Attest:

Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
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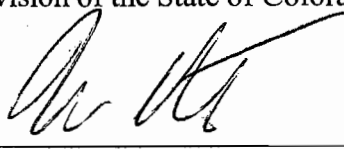
By: _____
Its: President

Attest:

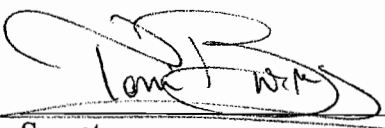


Secretary

PARK 70 METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Its: President

Attest:


Secretary

SAGEBRUSH METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:


Secretary

SAGEBRUSH METROPOLITAN DISTRICT,
NO. 2, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

PARK 70 METROPOLITAN DISTRICT, a
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By: _____
Its: President


Attest:

Secretary

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Its: President

Attest:




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Its: President

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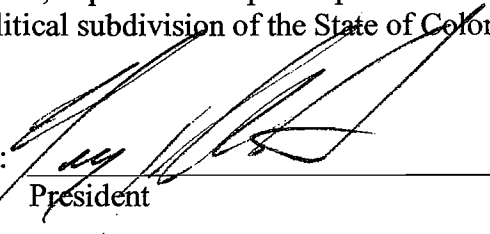
PARK 70 METROPOLITAN DISTRICT, a
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By: _____
Its: President

Attest:

Secretary

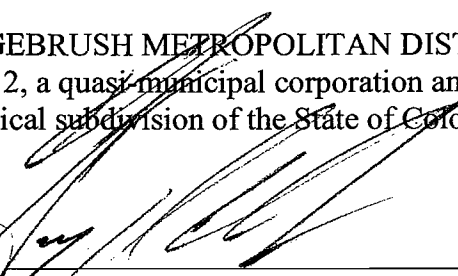
SAGEBRUSH METROPOLITAN DISTRICT
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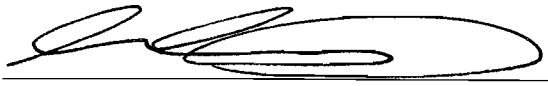
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By: 
Its: President

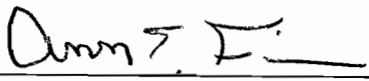
Attest:


Secretary

SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 
Its: President

Attest:


Secretary

WH METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

WINDLER HOMESTEAD METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary


SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

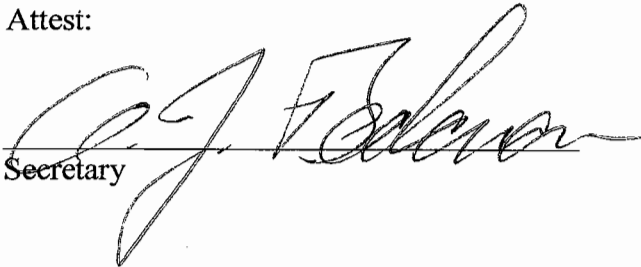
Attest:

Secretary

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By: 
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Secretary

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Its: President

Attest:


Secretary

McGEADY SISNEROS, P.C.

ATTORNEYS AT LAW

1675 BROADWAY, SUITE 2100
DENVER, COLORADO 80202
TELEPHONE: (303) 592-4380
FACSIMILE: (303) 592-4385

MARYANN M. McGEADY
DARLENE SISNEROS
MARY JO DOUGHERTY

MEGAN BECHER
KATHRYN S. KANDA
A. ELIZABETH PRAHASTO
CATHERINE A. WOODS

SPECIAL COUNSEL
KENNETH M. KOPROWICZ
ANNE K. LAPORTA

August 29, 2006

VIA HAND DELIVERY

Mr. Michael Hyman
Assistant City Attorney
City of Aurora
15151 E. Alameda Pkwy., 5th Floor
Aurora, CO 80012

Re: ARTA Establishment Agreement

Dear Mike:

This letter and its enclosures constitute establishment of an authority to collect and manage the ARI Mill Levy imposed on properties within our client districts' boundaries. Each of the Districts (defined below) operate pursuant to Service Plans approved by the City of Aurora ("City") on August 30, 2004 (the "Service Plans"). Section VI.A. of the Service Plans, and Section 18(a) of Intergovernmental Agreements (the "Requirements") between each of the respective Districts and the City ("IGAs"), provide as follows:

"If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than 30% and no more than 49% of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement regardless as to whether the City approves execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority. . ."

In satisfaction of the Requirements, enclosed is one fully executed ARTA Establishment Agreement (the "Establishment Agreement") approved and executed by the Boards of Directors of each of the following "Districts":

ARTA ESTABLISHMENT AGREEMENT

This Aurora Regional Transportation Authority ("ARTA") Establishment Agreement ("Agreement") is entered into this 22nd day of August, 2006, between and among AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 1, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 5, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 6, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 7, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 8, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 9, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 10, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 11, EASTGATE COMMERCIAL METROPOLITAN DISTRICT, EASTPARK 70 METROPOLITAN DISTRICT, PARK 70 METROPOLITAN DISTRICT, SAGEBRUSH METROPOLITAN DISTRICT NO. 1, SAGEBRUSH METROPOLITAN DISTRICT NO. 2, SORREL RANCH METROPOLITAN DISTRICT, WH METROPOLITAN DISTRICT NO. 1 and WINDLER HOMESTEAD METROPOLITAN DISTRICT all quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" and collectively, "Districts") and the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado ("City").

RECITALS

A. WHEREAS, each of the Districts has a Service Plan approved by the City in August, 2004;

B. WHEREAS, each Service Plan includes provisions authorizing each District to provide, plan for, acquire, construct, install, relocate and/or redevelop Regional Improvements (as such term is defined in the Districts' Service Plans) in each District's respective Service Plan Area;

C. WHEREAS, in order to fund such Regional Improvements and the overhead and administration costs related to them, each District is mandated to impose the ARI Mill Levy (as such term is defined in the Districts' Service Plan);

D. WHEREAS, each District is authorized to issue debt for the funding of the Regional Improvements, in an amount set forth in each District's respective Service Plan;

E. WHEREAS, in order for a District with an Approved Development Plan Area to participate in the planning and control of funding for the Regional Improvements, a District must enter into this Agreement with a minimum of two other Title 32 special districts from two or more Approved Development Plan Areas;

Authority for monies borrowed or in payment for property acquired, or for any of the other authorized purposes of the ARI Authority, and as provided by law, and to the extent permitted by law to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues and privileges of the ARI Authority. The bonds, notes and any other obligations of the ARI Authority shall not themselves be the debts, liabilities or obligations of the Districts or the City;

(g) To buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey, and otherwise dispose of, and to mortgage, pledge, hypothecate, and otherwise encumber real and personal property of every kinds, tangible and intangible, utilized for the purposes of the ARI Authority;

(h) To construct and maintain works and establish and maintain facilities across or along any public street or highway, provided the ARI Authority shall promptly restore any such street or highway to its former state of usefulness. In the use of streets or highways, the ARI Authority shall be subject to the reasonable rules and regulations of the City;

(i) To fix, maintain and revise fees, rates and charges for the use of the ARI Authority's functions, services or facilities, and to adopt, by resolution, reasonable regulations for the public welfare and pertaining to such facilities and services, including, without limitation, the use and protection of such facilities and services;

(j) To sue and be sued in the name of the ARI Authority;

(k) To have and use a corporate seal;

(l) In general, to exercise all powers which are now conferred by law upon a separate legal entity organized pursuant to Section 29-1-203, C.R.S., or essential to the provision of its functions, services and facilities, subject to such limitations as are or may be prescribed by law or herein;

(m) To own, operate and manage the Regional Improvements as set forth herein in Section 10, and to cooperate with other governmental entities with regard to the Regional Improvements;

(n) To collect and administer the ARI Mill Levy for all such purposes above, subject to the terms of this Agreement.

3. **Governing Body.** The ARI Authority shall be governed and directed by a Board of Directors ("Board"), according to the following:

(a) **Appointment of Directors by Districts.** Each District shall appoint one Director to the Board, who shall serve at the pleasure of the appointing District.

- (2) adopting operating and capital budgets;
- (3) reporting to the Districts on the progress of plans for and development of the Regional Improvements;
- (4) keeping minutes of its proceedings
- (5) establishing By-Laws of the Board and adopting, by resolution, regulations respecting the exercise of the ARI Authority's powers and purposes;
- (6) complying with the provisions of Parts 1,5 and 6, Article 1, Title 29, C.R.S. 1973, as amended;
- (7) authorizing the employment of such employees, agents, consultants and contractors, as in the discretion of the Board may be necessary, subject to the limitations of any adopted budgets.

(h) **Voting; Weighting of Votes.** Each Director shall have one vote, with each Director's vote weighted so that it shall have an equal proportionate value (i) within the seventy percent (70%) of the non-City Director votes, if the City becomes a party to this Agreement and assumes its thirty percent (30%) of the Board votes, or, (ii) if the City does not become a party to this Agreement or does not assume any Board votes, relative to the total number of Board votes. The City, if a party to this Agreement, shall be entitled to Board votes weighted at but never exceeding thirty-percent (30%) of the total Board votes, no matter how many Directors the City seats on the Board. If a District is dissolved with the result that the City takes the dissolved District's Board seat, the weight of the remaining Districts' Director's votes shall be re-weighted immediately so that the City is limited at all times to a maximum of thirty percent (30%) of the total voting rights of the Board.

(i) **Super-Majority Vote Requirements.** Notwithstanding anything herein to the contrary, a Super-Majority vote of the Board (defined for purposes of this Agreement as approval by at least seventy percent (70%) of the Board votes) shall be required for approval of the ARI Master Plan, creation of debt, approval of the annual operating and maintenance and Regional Improvement budgets, termination or amendment of this Agreement, and as otherwise specified in this Agreement.

4. **Officers.** The officers of the ARI Authority shall be a President, Vice-President, Secretary and Treasurer and such other officers and assistant officers as may be authorized by the Board from time to time to perform such duties as may be approved by the Board. The President, Vice-President, Secretary and Treasurer shall be elected and may be removed only upon a Super-Majority vote of the Board. Each officer shall serve for a term of one calendar year (except that the terms of the initial officers may be less than one full year) or until his or her successor is duly appointed.

(a) **Duties.** In addition to duties designated by the Board, the duties of the officers shall include the following:

affirmative duty to (1) incorporate that proportion of shortfalls due from it, as set forth in Sections 4(c)(iv) and 5, into their annual District budgets, (2) authorize the payment of such shortfall amount, and (3) pass a funding resolution for the same.

The ARI Authority budget may be amended as necessary to reflect changes in actual revenues and/or expenses.

5. **Operational and Maintenance Costs of ARI Authority; Shortfalls.**

(a) **First Use of ARI Mill Levy Funds.** The first use of any ARI Mill Levy funds held by the ARI Authority shall be for payment of the ARI Authority's operational and maintenance expenses. By signing this Agreement, each District is committing its ARI Mill Levy funds for this purpose, without the need for further or recurring approval by a District. This commitment is non-discretionary and non-revocable so long as a District is a member of the ARI Authority.

(b) **Proportionate Share of Shortfalls; Payment of Shortfalls.** Any shortfall in funds for ARI Authority operational and maintenance expenses shall be shared by all parties to this Agreement, proportionately, based on the relative annual assessed value of each District. The proportionate share of each District shall be reallocated annually, based on annual assessments. The City's proportionate share, if it becomes a party to this Agreement, shall be limited to a share equal to that of the largest proportional District's. Notice of shortfalls and each member's proportionate share of such shortfalls shall be provided in writing to each District by the Board or its designee. Payment of each District's proportionate share of any operational and maintenance expense shortfall shall be due within ten (10) calendar days after receipt of written notice from the Board.

(c) **Later-Joining Parties.** Any party to this Agreement joining after the initial execution date of this Agreement shall be responsible for what would have been its proportionate share of any ARI Authority shortfall amounts attributable to formation costs of the ARI Authority, as calculated under Section 5(b) herein, as though that party was an initial member of the ARI Authority. Payment of such amounts shall be due within ten (10) days of that party's admission as a member of the ARI Authority. From the date of admission forward, that party shall be responsible for its proportionate share of any shortfall amounts as set forth in this Section 5.

(d) **Reimbursement of Shortfall Fundings.** The ARI Authority shall reimburse each District for any funds advanced by that District under this Section 5 as ARI Mill Levy revenues allow, in the discretion of the Board.

6. **ARI Authority Membership.** Initial membership in the ARI Authority shall be initially limited to the Districts and, upon approval of the Agreement by the City, the City.

(a) **Admission of Members:** Admission of additional members shall be upon a majority vote of the Board.

(b) **Resignation of Member:** The District parties to this agreement contemplate that they may, over time, wish to become a part of another ARI authority, or wish to

11. **Term; Termination.** This Agreement shall remain in full force and effect until the defeasance of any bond or other debt incurred with respect to any Regional Improvements funded under this Agreement, or until the ARI Mill Levy expires or is terminated, whichever last occurs.

12. **Notices.** All notices, demands, requests or other communications to be sent by one party to another 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: Aurora High Point at DIA Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 3
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 4
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 5
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

(303) 987-0835
(303) 987-2032 (fax)

To: Eastpark 70 Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Park 70 Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Sagebrush Metropolitan District No. 2
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
(303) 987-0835
(303) 987-2032 (fax)

To: Sorrell Ranch Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: WH Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Windler Homestead Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

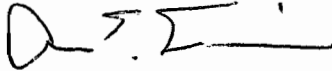
With a Copy to: McGeedy Sisneros
1675 Broadway, Suite 2100

19. **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.

20. **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.

21. **Paragraph Headings.** Paragraph headings are inserted for convenience of reference only.

Attest:



Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 4, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

Attest:

Secretary

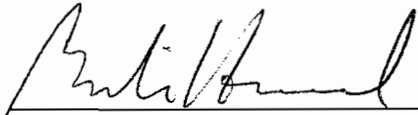
COLORADO INTERNATIONAL CENTER
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By: _____
Its: President

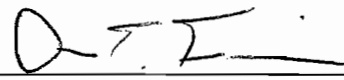
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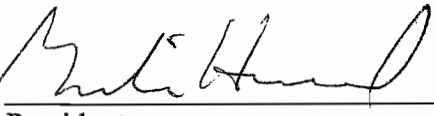
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 6, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

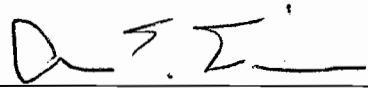
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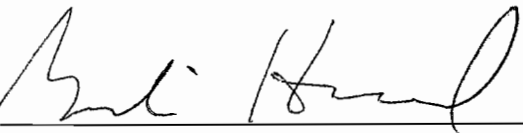
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By: 
Its: President

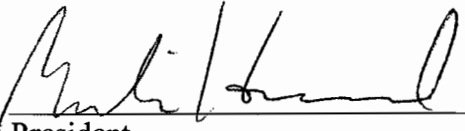
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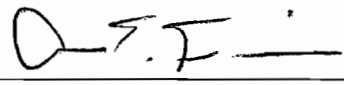
COLORADO INTERNATIONAL CENTER
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of the State of Colorado

By: 
Its: President

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
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of the State of Colorado

By: 
Its: President

Attest:


Secretary

EASTGATE COMMERCIAL
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

Attest:

Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

Attest:

Secretary

EASTGATE COMMERCIAL
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

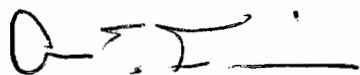
Attest:

Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By:  _____
Its: President

Attest:



Secretary

PARK 70 METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President


Attest:

Secretary

SAGEBRUSH METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 
Its: President

Attest:

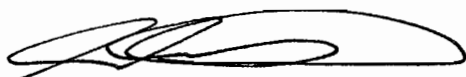


Secretary

SAGEBRUSH METROPOLITAN DISTRICT,
NO. 2, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:



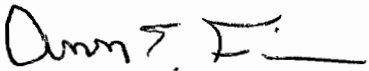
Secretary

SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President



Attest:


Secretary

WH METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

WINDLER HOMESTEAD METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

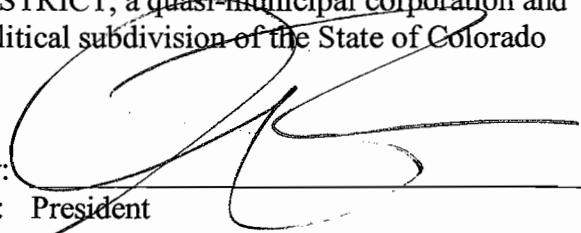
WH METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

WINDLER HOMESTEAD METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 
Its: President

Attest:


Secretary

GARY R. WHITE
KRISTEN D. BEAR
WILLIAM P. ANKELE, JR.

K. SEAN ALLEN
GEORGE M. ROWLEY
JENNIFER L. GRUBER**
VICTOR J. MUNTEANU

WHITE • BEAR • ANKELE
PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

DANA K. NOTTINGHAM
JOSEPH J. LICO
REBECCA V. AMENT
CYNTHIA M. BEYER-ULRICH
MELISSA E. RYAN
HEIDI JUHL*
CLINT C. WALDRON

August 28, 2006

VIA HAND DELIVERY

Nancy Bailey
Office of Development Assistance
City of Aurora
15151 Alameda Parkway, #5200
Aurora, CO 80012

Re: ARI Authority Establishment Agreement

Dear Nancy:

As requested at the meeting on July 26, 2006, attached for your review and consideration are copies of the ARI Authority Agreements required by the Aurora Model Service Plan. Our clients have determined to form these authorities as set forth below.

Aurora Regional Improvement Authority No. 1

Adonea Metropolitan District Nos. 1 and 2
Cross Creek Metropolitan District Nos. 1-3
East Plains Metropolitan District
High Plains Metropolitan District
Beacon Point Metropolitan District
Rockinghorse Metropolitan District Nos. 1 and 2

Aurora Regional Improvement Authority No. 2

Eastern Hills Metropolitan District Nos. 1-8
Senac South Metropolitan District Nos. 1-4
Southlands Metropolitan District No. 2
Wheatlands Metropolitan District Nos. 1-3
Green Valley Ranch East Metropolitan District Nos. 1-8

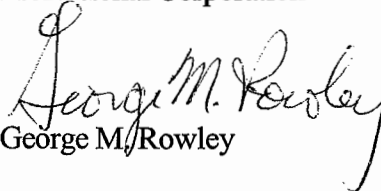
Aurora Regional Improvement Authority Nos. 3

Sand Creek Ranch Metropolitan District Nos. 1-3
Trails at First Creek Ranch Metropolitan District Nos. 1 and 2
StarFall Metropolitan District Nos. 1 and 2

This letter constitutes an offer to Aurora by each of the authorities to join each of the authorities.

Sincerely,

White, Bear & Ankele
Professional Corporation


George M. Rowley

ACKNOWLEDGEMENT

Received this _____ day of August, 2006, from White, Bear & Ankele Professional Corporation, the ARI Authority Establishment Agreement Nos. 1-3

City of Aurora, Office of Development Assistance

By: _____

Printed Name: _____

Title: _____

GMR: kmf
Enclosures
cc: Mike Hyman

**AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 1
ESTABLISHMENT AGREEMENT**

THIS AGREEMENT ("Agreement"), entered into as of the 25th day of August, 2006, by and between the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 (“Aurora Model Service Plan”) which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement (“ARI Agreement Requirement”); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 1 (the “Authority”) to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a “public entity” as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an “Enterprise” as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One

General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority No. 1. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors (“Board”) which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a "public entity" as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an "Enterprise" as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 29, 2006, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District's behalf. Upon execution by an Operating District, each District existing under such Operating District's Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority's performance of its obligations under this Agreement.

Article Two Organizational Structure

2.1. Board of Directors. The Authority's governing body shall be a Board of Directors ("Board") which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as "Members."

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement ("District IGA") that delegates decision making authority regarding the construction and financing of public improvements to a single district ("Operating District"), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Aurora shall be entitled to appoint one Board member regardless of its voting power described below.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is physically present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until the Member has provided the other Members with sixty (60) days written notice.

Article Three Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each

Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four **Powers of the Authority**

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;
- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;

- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;
- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;
- U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five

Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of Colorado, Colorado Revised Statutes § 29-1-101 *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual

Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.3. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements.

5.4. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.5. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six
Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven
Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight
Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora: City of Aurora
 Attn: City Attorney
 15151 E. Alameda Pkwy.
 Suite 5300
 Aurora, CO 80012

District: Adonea Metropolitan District Nos. 1 and 2
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Cross Creek Metropolitan District Nos. 1-3
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: East Plains Metropolitan District
High Plains Metropolitan District
Beacon Point Metropolitan District
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Rockinghorse Metropolitan District Nos. 1 and 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be insubstantial and invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor

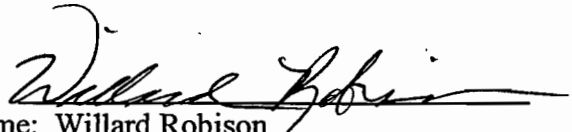
ATTEST:

By: _____
Clerk and Recorder

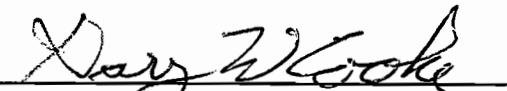
APPROVED AS TO FORM:

By: _____
City Attorney

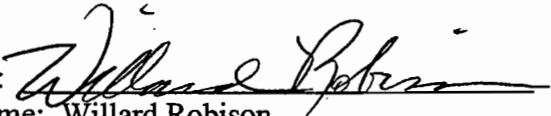
ADONEA METROPOLITAN DISTRICT NOS. 1
and 2 by ADONEA METROPOLITAN
DISTRICT NO. 1

By: 
Name: Willard Robison
Title: President

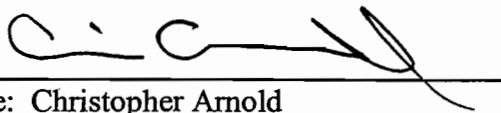
ATTEST:

By: 
Name: Gary Cooke
Title: Secretary/Treasurer

CROSS CREEK METROPOLITAN DISTRICT
NOS. 1-3 by CROSS CREEK METROPOLITAN
DISTRICT NO. 1

By: 
Name: Willard Robison
Title: President

ATTEST:

By: 
Name: Christopher Arnold
Title: Secretary/Treasurer

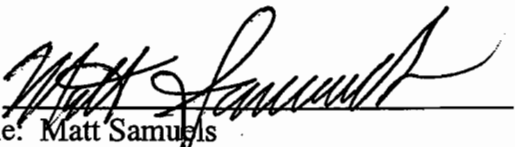
EAST PLAINS METROPOLITAN DISTRICT
HIGHPLAINS METROPOLITAN DISTRICT
BEACON POINT METROPOLITAN DISTRICT
By EAST PLAINS METROPOLITAN
DISTRICT

By: Gary W Cooke
Name: Gary Cooke
Title: Vice President


ATTEST:

By: Willard Robison
Name: Willard Robison
Title: Secretary/Treasurer

ROCKINGHORSE METROPOLITAN
DISTRICT NOS. 1 and 2 by ROCKINGHORSE
METROPOLITAN DISTRICT NO. 1

By: 
Name: Matt Samuels
Title: President

ATTEST:

By: 
Name: Willard Robison
Title: Secretary/Treasurer

**AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 2
ESTABLISHMENT AGREEMENT**

THIS AGREEMENT ("Agreement"), entered into as of the 24th day of August, 2006, by and between the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 ("Aurora Model Service Plan") which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement ("ARI Agreement Requirement"); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 2 (the "Authority") to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a "public entity" as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an "Enterprise" as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority No. 2. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors ("Board") which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a “public entity” as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an “Enterprise” as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 29, 2006, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District’s behalf. Upon execution by an Operating District, each District existing under such Operating District’s Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority’s performance of its obligations under this Agreement.

Article Two Organizational Structure

2.1. Board of Directors. The Authority’s governing body shall be a Board of Directors (“Board”) which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as “Members.”

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement (“District IGA”) that delegates decision making authority regarding the construction and financing of public improvements to a single district (“Operating District”), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Aurora shall be entitled to appoint one Board member regardless of its voting power described below. Notwithstanding the foregoing, Green Valley Ranch East Metropolitan District Nos. 1-8 shall only be entitled to appoint (1) one board member and collectively shall only have (1) one vote.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is physically present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until the Member has provided the other Members with sixty (60) days written notice.

Article Three Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from

the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four **Powers of the Authority**

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;

- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;
- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;
- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;

U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of Colorado, Colorado Revised Statutes § 29-1-101 *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional

Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.4. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements.

5.5. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.6. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six
Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven
Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight
Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora: City of Aurora
 Attn: City Attorney
 15151 E. Alameda Pkwy.
 Suite 5300
 Aurora, CO 80012

District: Eastern Hills Metropolitan District Nos. 1-8
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Senac South Metropolitan District Nos. 1-4
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Southlands Metropolitan District No. 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Wheatlands Metropolitan District Nos. 1-3
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Green Valley Ranch East Metropolitan District Nos. 1-8
Miller & Rosenbluth, LLC
700 17th Street, Suite 2200
Denver, CO 80202

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be insubstantial and invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor


ATTEST:

By: _____
Clerk and Recorder

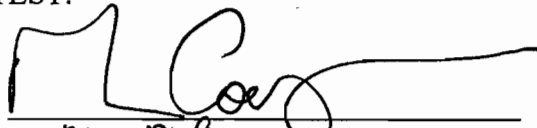
APPROVED AS TO FORM:

By: _____
City Attorney


EASTERN HILLS METROPOLITAN
DISTRICT NOS. 1, 2 and 4-8 by EASTERN
HILLS METROPOLITAN DISTRICT NO. 1

By: 
Name: Leland Alpert
Title: President

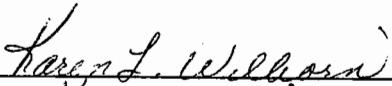
ATTEST:

By: 
Name: Mar E. Cooper
Title: Secretary

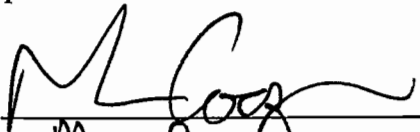
EASTERN HILLS METROPOLITAN
DISTRICT NO. 3

By: 
Name: Thomas J. Morsable
Title: _____


ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

SENAC SOUTH METROPOLITAN DISTRICT
NOS. 1-4 by SENAC SOUTH METROPOLITAN
NO. 1

By: 
Name: MARC COOPER
Title: _____

ATTEST:

By: 
Name: CARRIE LOFSTEDT
Title: _____

WHEATLANDS METROPOLITAN DISTRICT
NOS. 1-3 by WHEATLANDS
METROPOLITAN DISTRICT NO. 1

By: 

Name: David J. Goldberg

Title: President


ATTEST:

By: 

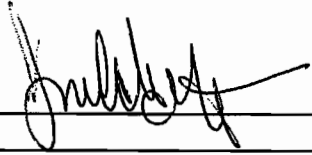
Name: KATELY WILSON

Title: SECRETARY / TREASURER

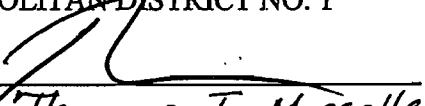
SOUTHLANDS METROPOLITAN DISTRICT
NO. 2

By: 
Name: Peter M. Campbell
Title: MANAGER

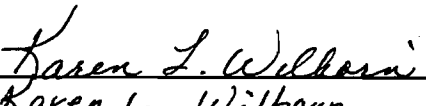
ATTEST:

By: 
Name: _____
Title: _____


GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 1

By: 
Name: Thomas J. Massalle
Title: President

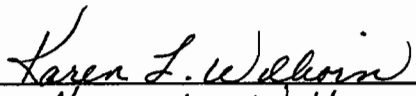
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

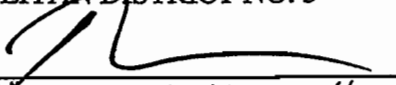
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 2

By: 
Name: Thomas J. Mussallem
Title: President

ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

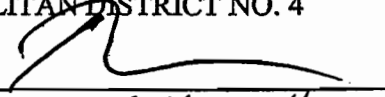
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 3

By: 
Name: Thomas J. Massalle
Title: President

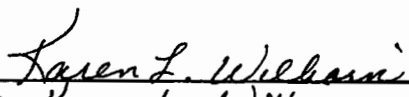
ATTEST:

By: Karen L. Wilborn
Name: Karen L. Wilborn
Title: Accountant


GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 4

By: 
Name: Thomas J. Mussallem
Title: President

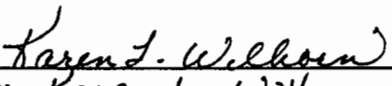
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

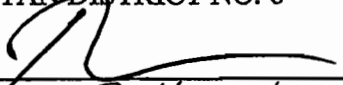
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 5

By: 
Name: Thomas J. Mussallem
Title: President

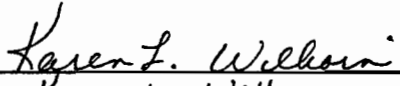
ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

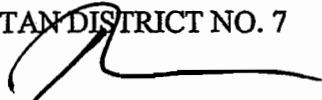
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 6

By: 
Name: Thomas J. Mussallem
Title: President

ATTEST:

By: 
Name: Karen L. Wilborn
Title: Accountant

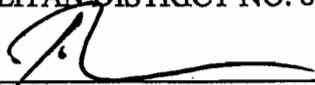
GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 7

By: 
Name: Thomas J. Mussallem
Title: President

ATTEST:

By: Karen L. Wilborn
Name: Karen L. Wilborn
Title: Accountant

GREEN VALLEY RANCH EAST
METROPOLITAN DISTRICT NO. 8

By: 
Name: Thomas J. Mussallen
Title: President

ATTEST:

By: Karen L. Wilborn
Name: Karen L. Wilborn
Title: Accountant

**AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 3
ESTABLISHMENT AGREEMENT**

THIS AGREEMENT ("Agreement"), entered into as of the 10th day of August, 2006, by and between the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 ("Aurora Model Service Plan") which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement ("ARI Agreement Requirement"); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 3 (the "Authority") to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a "public entity" as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an "Enterprise" as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time;

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors ("Board") which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a “public entity” as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an “Enterprise” as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 29, 2006, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District’s behalf. Upon execution by an Operating District, each District existing under such Operating District’s Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority’s performance of its obligations under this Agreement.

Article Two Organizational Structure

2.1. Board of Directors. The Authority’s governing body shall be a Board of Directors (“Board”) which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as “Members.”

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement (“District IGA”) that delegates decision making authority regarding the construction and financing of public improvements to a single district (“Operating District”), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Aurora shall be entitled to appoint one Board member regardless of its voting power described below.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is physically present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until the Member has provided the other Members with sixty (60) days written notice.

Article Three Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each

Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four **Powers of the Authority**

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;
- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;

- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;
- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;
- U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of Colorado, Colorado Revised Statutes § 29-1-101 *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual

Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.3. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements.

5.4. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.5. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six
Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven
Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight
Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora: City of Aurora
 Attn: City Attorney
 15151 E. Alameda Pkwy.
 Suite 5300
 Aurora, CO 80012

District: Sand Creek Ranch Metropolitan District Nos. 1-3
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: StarFall Metropolitan District Nos. 1 and 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

District: Trails at First Creek Ranch Metropolitan District Nos. 1 and 2
White, Bear & Ankele, Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be insubstantial and invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party

hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor

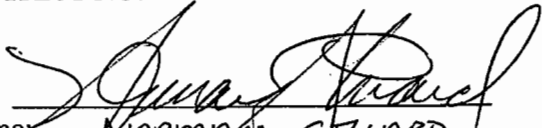
ATTEST:

By: _____
Clerk and Recorder


APPROVED AS TO FORM:

By: _____
City Attorney

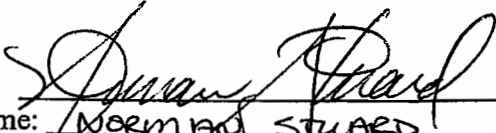
STARFALL METROPOLITAN DISTRICT
NOS. 1 and 2 by STARFALL METROPOLITAN
DISTRICT NO. 1

By: 
Name: NORMAN STUARD
Title: PRESIDENT


ATTEST:


By: Andy Chaikovsky
Name: Andy Chaikovsky
Title: Secretary

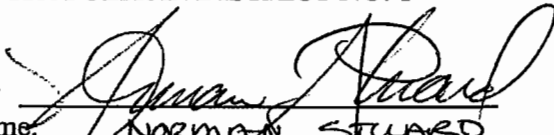
SAND CREEK RANCH METROPOLITAN
DISTRICT NOS. 1-3 by SAND CREEK RANCH
METROPOLITAN DISTRICT NO. 1

By: 
Name: NORMAN STUARD
Title: PRESIDENT

ATTEST:

By: 
Name: SHAE STUARD
Title: SECRETARY

TRAILS AT FIRST CREEK RANCH
METROPOLITAN DISTRICT NOS. 1 and 2 by
TRAILS AT FIRST CREEK RANCH
METROPOLITAN DISTRICT NO. 1

By: 
Name: NORMAN STUARD
Title: PRESIDENT

ATTEST:

By: 
Name: SHAE STUARD
Title: SECRETARY

McGEADY SISNEROS, P.C.

ATTORNEYS AT LAW

1675 BROADWAY, SUITE 2100
DENVER, COLORADO 80202
TELEPHONE: (303) 592-4380
FACSIMILE: (303) 592-4385

MARYANN M. McGEADY
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KATHRYN S. KANDA
A. ELIZABETH PRAHASTO
CATHERINE A. WOODS

SPECIAL COUNSEL
KENNETH M. KOPROWICZ
ANNE K. LAPORTA

August 29, 2006

VIA HAND DELIVERY

Mr. Michael Hyman
Assistant City Attorney
City of Aurora
15151 E. Alameda Pkwy., 5th Floor
Aurora, CO 80012

Re: ARTA Establishment Agreement

Dear Mike:

This letter and its enclosures constitute establishment of an authority to collect and manage the ARI Mill Levy imposed on properties within our client districts' boundaries. Each of the Districts (defined below) operate pursuant to Service Plans approved by the City of Aurora ("City") on August 30, 2004 (the "Service Plans"). Section VI.A. of the Service Plans, and Section 18(a) of Intergovernmental Agreements (the "Requirements") between each of the respective Districts and the City ("IGAs"), provide as follows:

"If the District has executed an ARI Authority Establishment Agreement and the City has been offered the opportunity to execute an ARI Authority Establishment Agreement, the terms of which provide for the City to appoint no less than 30% and no more than 49% of the Board members who will serve as the board of directors of the ARI Authority to be established by such ARI Authority Establishment Agreement regardless as to whether the City approves execution of such ARI Authority Establishment Agreement, the revenue from the ARI Mill Levy shall be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority. . ."

In satisfaction of the Requirements, enclosed is one fully executed ARTA Establishment Agreement (the "Establishment Agreement") approved and executed by the Boards of Directors of each of the following "Districts":

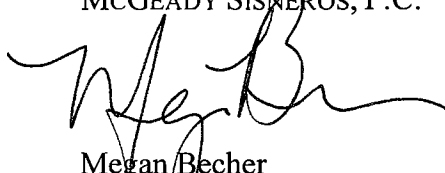
1. Aurora High Point at DIA Metropolitan District;
2. Colorado International Center Metropolitan District No. 1;
3. Colorado International Center Metropolitan District No. 3;
4. Colorado International Center Metropolitan District No. 4;
5. Colorado International Center Metropolitan District No. 5;
6. Colorado International Center Metropolitan District No. 6;
7. Colorado International Center Metropolitan District No. 7;
8. Colorado International Center Metropolitan District No. 8;
9. Colorado International Center Metropolitan District No. 9;
10. Colorado International Center Metropolitan District No. 10;
11. Colorado International Center Metropolitan District No. 11;
12. EastGate Commercial Metropolitan District;
13. EastPark 70 Metropolitan District;
14. Park 70 Metropolitan District;
15. Sagebrush Metropolitan District No. 1;
16. Sagebrush Metropolitan District No. 2;
17. Sorrel Ranch Metropolitan District;
18. WH Metropolitan District No. 1; and
19. Windler Homestead Metropolitan District.

Further, in compliance with the Requirements and as set forth in the Establishment Agreement, the Districts hereby offer the City the opportunity to become a party to the Establishment Agreement and a member of ARTA. In order for the City to become a member of the ARTA, the City must: (a) execute the 20 signature pages included with the enclosed Establishment Agreement; (b) retain one fully executed copy of the Establishment Agreement for the City's records; and (c) return the remaining 19 signature pages for the Districts' records. Please note Section 3(c) of the Establishment Agreement provides the opportunity for the City to appoint no less than 30% of the board seats of ARTA if they become a party to the Establishment Agreement.

We believe this fulfills all of the Requirements on behalf of the Districts. Should you have any questions regarding this correspondence or the Establishment Agreement, please do not hesitate to call. The Districts look forward to the City's response.

Very truly yours,

MCGEADY SISMEROS, P.C.



Megan Becher

MB

c: Nancy Bailey, City of Aurora
Districts Boards of Directors

ARTA ESTABLISHMENT AGREEMENT

This Aurora Regional Transportation Authority ("ARTA") Establishment Agreement ("Agreement") is entered into this 22nd day of August, 2006, between and among AURORA HIGH POINT AT DIA METROPOLITAN DISTRICT, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 1, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 5, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 6, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 7, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 8, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 9, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 10, COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 11, EASTGATE COMMERCIAL METROPOLITAN DISTRICT, EASTPARK 70 METROPOLITAN DISTRICT, PARK 70 METROPOLITAN DISTRICT, SAGEBRUSH METROPOLITAN DISTRICT NO. 1, SAGEBRUSH METROPOLITAN DISTRICT NO. 2, SORREL RANCH METROPOLITAN DISTRICT, WH METROPOLITAN DISTRICT NO. 1 and WINDLER HOMESTEAD METROPOLITAN DISTRICT all quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" and collectively, "Districts") and the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado ("City").

RECITALS

A. WHEREAS, each of the Districts has a Service Plan approved by the City in August, 2004;

B. WHEREAS, each Service Plan includes provisions authorizing each District to provide, plan for, acquire, construct, install, relocate and/or redevelop Regional Improvements (as such term is defined in the Districts' Service Plans) in each District's respective Service Plan Area;

C. WHEREAS, in order to fund such Regional Improvements and the overhead and administration costs related to them, each District is mandated to impose the ARI Mill Levy (as such term is defined in the Districts' Service Plan);

D. WHEREAS, each District is authorized to issue debt for the funding of the Regional Improvements, in an amount set forth in each District's respective Service Plan;

E. WHEREAS, in order for a District with an Approved Development Plan Area to participate in the planning and control of funding for the Regional Improvements, a District must enter into this Agreement with a minimum of two other Title 32 special districts from two or more Approved Development Plan Areas;

F. WHEREAS, pursuant to Section 29-1-203, C.R.S., the Districts may cooperate or contract with one another to provide any function, service or facility lawfully authorized, and may form a separate legal entity to do so;

G. WHEREAS, all the Districts hereto desire to establish the ARTA, which shall plan for the Regional Improvements and to which each District shall convey the ARI Mill Levy collected by that District in order to fund such Regional Improvements; and

H. WHEREAS, the Districts desire to set forth the duties and powers of the ARTA and its Board of Directors.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Districts herein, the Districts agree as follows:

1. **Establishment of the ARTA; Service Area.** Pursuant to Section 29-1-203, C.R.S., there is hereby created and established a separate legal entity known as the Aurora Regional Transportation Authority ("ARTA") (herein referred to as the "ARI Authority"), the service area of which shall consist of the combined Service Areas of the Districts. This ARI Authority shall be established as of the date this Agreement has been executed by the Districts, regardless of the City's standing as a party to this Agreement.

2. **Powers and Purposes.** The purpose of the ARI Authority is to effect the development of the Regional Improvements, in whole or in part, for the benefit of the Districts and their inhabitants, and others. The functions, services and general powers of the ARI Authority are, to the extent permitted by law, as follows:

(a) To plan, design, acquire, construct, install, relocate and/or redevelop and finance the Regional Improvements;

(b) To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any legal or equitable interest in real or personal property utilized for the authorized purposes of the ARI Authority;

(c) To conduct its business and affairs for the benefit of the Districts and their inhabitants and others, in the discretion of the Board of Directors;

(d) To enter into, make and perform contracts of every kind with the Districts, the United States, any state or political subdivision thereof, or any city, town, municipality, city and county, any special district formed pursuant to Title 32, Colorado Revised Statutes, or any predecessor thereof, or any individual, firm, association, partnership, corporation or any other organization of any kind with the capacity to contract for any of the purposes contemplated under this Agreement;

(e) To employ agents and employees;

(f) To incur debts, liabilities, or obligations to the extent and in the manner permitted by law and as provided herein, and to borrow money and, from time to time, to make, accept, endorse, execute, issue and deliver bonds, notes and other obligations of the ARI

Authority for monies borrowed or in payment for property acquired, or for any of the other authorized purposes of the ARI Authority, and as provided by law, and to the extent permitted by law to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues and privileges of the ARI Authority. The bonds, notes and any other obligations of the ARI Authority shall not themselves be the debts, liabilities or obligations of the Districts or the City;

(g) To buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey, and otherwise dispose of, and to mortgage, pledge, hypothecate, and otherwise encumber real and personal property of every kinds, tangible and intangible, utilized for the purposes of the ARI Authority;

(h) To construct and maintain works and establish and maintain facilities across or along any public street or highway, provided the ARI Authority shall promptly restore any such street or highway to its former state of usefulness. In the use of streets or highways, the ARI Authority shall be subject to the reasonable rules and regulations of the City;

(i) To fix, maintain and revise fees, rates and charges for the use of the ARI Authority's functions, services or facilities, and to adopt, by resolution, reasonable regulations for the public welfare and pertaining to such facilities and services, including, without limitation, the use and protection of such facilities and services;

(j) To sue and be sued in the name of the ARI Authority;

(k) To have and use a corporate seal;

(l) In general, to exercise all powers which are now conferred by law upon a separate legal entity organized pursuant to Section 29-1-203, C.R.S., or essential to the provision of its functions, services and facilities, subject to such limitations as are or may be prescribed by law or herein;

(m) To own, operate and manage the Regional Improvements as set forth herein in Section 10, and to cooperate with other governmental entities with regard to the Regional Improvements;

(n) To collect and administer the ARI Mill Levy for all such purposes above, subject to the terms of this Agreement.

3. **Governing Body.** The ARI Authority shall be governed and directed by a Board of Directors ("Board"), according to the following:

(a) **Appointment of Directors by Districts.** Each District shall appoint one Director to the Board, who shall serve at the pleasure of the appointing District.

(b) **City Participation on the Board.** If and when the City approves of and becomes a party to this Agreement, the City may hold thirty percent (30%), and no more, of the Board seats of the ARI Authority.

(c) **Tenure.** Each Director term shall be three years. However, upon the expiration of a term or other early vacancy, a Director shall continue to serve until a successor has been appointed by the District on whose behalf the Director sits on the Board.

(d) **Compensation.** Directors may receive compensation for their services from the ARI Authority in a manner similar to directors of special districts under the Colorado Special District Act, as that Act may be amended from time to time. The ARI Authority Board shall adopt a resolution implement this provision before any compensation is paid to any Director.

(e) **Meetings.** Regular meetings of the Board shall be held on such place, on such day, and at such hour as the Board shall, by resolution, from time to time establish. It is hereby mandated that at least one regular meeting shall be held annually. Special meetings may be held at any time and at any place within the State of Colorado either (i) when attended by Directors representing all Districts or (ii) upon seventy-two (72) hours written notice delivered to the home or place of employment of each Director, unless such notice is waived in writing by a Director at such meeting. The President or Vice-President may, and upon the request of two Directors, shall, call a special meeting of the Board.

(f) **Quorum.** A majority of the number of Directors in office shall constitute a quorum for the transaction of business, but if less than a majority of the Directors then in office is present at a meeting, a majority of the Directors present, or if none are present, the Secretary or other officer may adjourn the meeting to a different time and place, and in such case the Secretary shall notify absent Directors of the time and place of such adjourned meeting.

(g) **Powers.** The powers and duties of the Board, which shall be exercised by approval of a majority of the Directors present, unless otherwise specified herein, provided a quorum is present (as defined in Section 3(f)), above, is empowered to:

(i) establish an ARI Master Plan for the ARI Authority, such plan to be established no later than such time when a minimum of \$500,000 of ARI Mill Levy revenues has been collected under this Agreement (whether spent or not);

(ii) develop a Regional Improvement Plan, such plan to be established no later than such time when a minimum of \$500,000 of ARI Mill Levy revenues has been collected under this Agreement (whether spent or not);

(iii) govern the business and affairs of the ARI Authority and to establish the policies, rules and regulations of the ARI Authority;

(iv) exercise all power of the ARI Authority as set forth in Section 2 herein, including but not limited to:

(1) electing officers of the Board;

- (2) adopting operating and capital budgets;
- (3) reporting to the Districts on the progress of plans for and development of the Regional Improvements;
- (4) keeping minutes of its proceedings
- (5) establishing By-Laws of the Board and adopting, by resolution, regulations respecting the exercise of the ARI Authority's powers and purposes;
- (6) complying with the provisions of Parts 1,5 and 6, Article 1, Title 29, C.R.S. 1973, as amended;
- (7) authorizing the employment of such employees, agents, consultants and contractors, as in the discretion of the Board may be necessary, subject to the limitations of any adopted budgets.

(h) **Voting; Weighting of Votes.** Each Director shall have one vote, with each Director's vote weighted so that it shall have an equal proportionate value (i) within the seventy percent (70%) of the non-City Director votes, if the City becomes a party to this Agreement and assumes its thirty percent (30%) of the Board votes, or, (ii) if the City does not become a party to this Agreement or does not assume any Board votes, relative to the total number of Board votes. The City, if a party to this Agreement, shall be entitled to Board votes weighted at but never exceeding thirty-percent (30%) of the total Board votes, no matter how many Directors the City seats on the Board. If a District is dissolved with the result that the City takes the dissolved District's Board seat, the weight of the remaining Districts' Director's votes shall be re-weighted immediately so that the City is limited at all times to a maximum of thirty percent (30%) of the total voting rights of the Board.

(i) **Super-Majority Vote Requirements.** Notwithstanding anything herein to the contrary, a Super-Majority vote of the Board (defined for purposes of this Agreement as approval by at least seventy percent (70%) of the Board votes) shall be required for approval of the ARI Master Plan, creation of debt, approval of the annual operating and maintenance and Regional Improvement budgets, termination or amendment of this Agreement, and as otherwise specified in this Agreement.

4. **Officers.** The officers of the ARI Authority shall be a President, Vice-President, Secretary and Treasurer and such other officers and assistant officers as may be authorized by the Board from time to time to perform such duties as may be approved by the Board. The President, Vice-President, Secretary and Treasurer shall be elected and may be removed only upon a Super-Majority vote of the Board. Each officer shall serve for a term of one calendar year (except that the terms of the initial officers may be less than one full year) or until his or her successor is duly appointed.

(a) **Duties.** In addition to duties designated by the Board, the duties of the officers shall include the following:

(i) The President shall preside at all meetings of the Board and, except as otherwise delegated by the Board, shall execute all legal instruments of the ARI Authority;

(ii) The Vice-President shall, in the absence of the President, or in the event of his or her inability or refusal to act, perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as may be prescribed by the Board from time to time.

(iii) The Secretary shall maintain the official records of the ARI Authority, including the minutes of the meetings of the Board, and a register of the names and addresses of the Districts, Directors and officers and shall issue notice of meetings, attest and affix the corporate seal to all documents of the ARI Authority and perform such other duties as the Board may prescribe from time to time.

(iv) The Treasurer shall serve as financial officer of the Authority and except as the Board may otherwise decide by resolution, shall be responsible for the receipt, custody, investment and disbursement of the ARI Authority's funds and securities and for duties incident to the office of Treasurer, and shall perform such other duties as the Board may prescribe from time to time.

(b) **Bonds.** The Treasurer and any other officer, employee or agent of the ARI Authority charged with responsibility for the custody of any of its funds or property shall give a fidelity bond in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the ARI Authority to give fidelity bond in such amount and with such surety as it shall determine. The cost of such fidelity bond shall be an expense payable by the ARI Authority.

(c) **ARI Authority Budget.** The Board, in consultation with the Districts, shall have the duty to prepare and recommend a preliminary annual operating budget for the ARI Authority on or before September 1 of each planning year. Budget review and approval by a Super-Majority of the Board shall occur prior to November 1 of each planning year. If the Board fails to approve the budget, the preliminary budget documents shall become the final budget for that planning year. Each annual budget shall include

(i) an operating and maintenance budget, as well as a separately broken out Regional Improvement (capital) budget for the forthcoming year; and

(ii) if applicable, a schedule of payments to be made on issued and/or to be issued bonds of the ARI Authority; and

(iii) a schedule for bond issuances by the ARI Authority; and

(iv) provisions for the payment of any shortfalls in ARI Mill Levy funds as set forth in Section 5 below.

(v) **District Affirmative Duty to Include in District Budget.** The Districts will each receive a copy of the preliminary and final budgets. Each District has the

affirmative duty to (1) incorporate that proportion of shortfalls due from it, as set forth in Sections 4(c)(iv) and 5, into their annual District budgets, (2) authorize the payment of such shortfall amount, and (3) pass a funding resolution for the same.

The ARI Authority budget may be amended as necessary to reflect changes in actual revenues and/or expenses.

5. **Operational and Maintenance Costs of ARI Authority; Shortfalls.**

(a) **First Use of ARI Mill Levy Funds.** The first use of any ARI Mill Levy funds held by the ARI Authority shall be for payment of the ARI Authority's operational and maintenance expenses. By signing this Agreement, each District is committing its ARI Mill Levy funds for this purpose, without the need for further or recurring approval by a District. This commitment is non-discretionary and non-revocable so long as a District is a member of the ARI Authority.

(b) **Proportionate Share of Shortfalls; Payment of Shortfalls.** Any shortfall in funds for ARI Authority operational and maintenance expenses shall be shared by all parties to this Agreement, proportionately, based on the relative annual assessed value of each District. The proportionate share of each District shall be reallocated annually, based on annual assessments. The City's proportionate share, if it becomes a party to this Agreement, shall be limited to a share equal to that of the largest proportional District's. Notice of shortfalls and each member's proportionate share of such shortfalls shall be provided in writing to each District by the Board or its designee. Payment of each District's proportionate share of any operational and maintenance expense shortfall shall be due within ten (10) calendar days after receipt of written notice from the Board.

(c) **Later-Joining Parties.** Any party to this Agreement joining after the initial execution date of this Agreement shall be responsible for what would have been its proportionate share of any ARI Authority shortfall amounts attributable to formation costs of the ARI Authority, as calculated under Section 5(b) herein, as though that party was an initial member of the ARI Authority. Payment of such amounts shall be due within ten (10) days of that party's admission as a member of the ARI Authority. From the date of admission forward, that party shall be responsible for its proportionate share of any shortfall amounts as set forth in this Section 5.

(d) **Reimbursement of Shortfall Fundings.** The ARI Authority shall reimburse each District for any funds advanced by that District under this Section 5 as ARI Mill Levy revenues allow, in the discretion of the Board.

6. **ARI Authority Membership.** Initial membership in the ARI Authority shall be initially limited to the Districts and, upon approval of the Agreement by the City, the City.

(a) **Admission of Members:** Admission of additional members shall be upon a majority vote of the Board.

(b) **Resignation of Member:** The District parties to this agreement contemplate that they may, over time, wish to become a part of another ARI authority, or wish to

forfeit their membership in an ARI authority altogether. To that end, a District which is a member of this ARI Authority may resign its membership upon thirty (30) days written notice to the Board. This resignation process will be effective until the point in time where the ARI Authority has only four remaining District members. At the point only four District members remain, the resignation of a member will require a Super-Majority vote of the Board. Resignation of a District or the City from this ARI Authority shall not extinguish that entity's obligations under this Agreement, as they exist on the effective date of that entity's resignation, to perform any financial commitments made to the ARI Authority, including contributions, collections of mill levy revenues and payment of its pro rata share of indebtedness incurred by the ARI Authority, but specifically excluding the funding of any shortfalls (as set forth in Section 5(b)) which occur after the member's resignation.

7. **Conveyance of ARI Mill Levy Revenues.** Each District hereby agrees to collect, itself or through the ARI Authority, as the Board determines, the ARI Mill Levy revenues due it, and to convey them to the ARI Authority. Such conveyances shall be within the time limitations and according to procedures developed by the Board. All revenues shall be held by the ARI Authority in one fund until such time as the revenues are disbursed under the terms of this Agreement.

8. **Regional Improvement Expenses; Expenditures of Mill Levy on Regional Improvements; Cost Sharing.** Regional Improvement expenses shall be paid from the ARI Mill Levy fund established by the ARI Authority or by issuance of bonds secured by the ARI Mill Levy. Notwithstanding anything to the contrary however, ARI Mill Levy funds derived from a particular member District cannot be committed to a specific Regional Improvement project unless that District agrees to so fund the project by vote or in writing. Additionally, a particular Regional Improvement project may be cost-shared with another ARI authority, another special district not associated with an ARI authority, with a developer, or with the City, however only those Districts which agree to the cost-sharing arrangement (and thereby, the underlying project) shall commit ARI Mill Levy funds derived from their District to such a project.

9. **Rules and Regulations.** Rules and Regulations for construction and acquisition of Regional Improvements will be developed by the Board with input from the Districts. Such Rules and Regulations shall include a limitation of ARI Authority powers whereby the ARI Authority is prevented from acquiring, constructing, installing, relocating, redeveloping or financing a Regional Improvement unless an executed agreement exists delineating acceptance of such Regional Improvement by the City or other governmental entity. Notwithstanding the foregoing, the ARI Authority shall have the power to spend ARI Mill Levy funds on planning engineering for a Regional Improvement prior to an agreement of acceptance by the City or other governmental entity.

10. **Ownership and Dedication of Regional Improvements, Maintenance and Improvements.** The ARI Authority shall own, operate and maintain all Regional Improvements paid for in whole or in part from ARI Authority funds unless and until the same are dedicated to the City or another appropriate governmental entity or owner's association for perpetual ownership and maintenance. The transfer of ownership of any Regional Improvement so funded shall occur upon a majority vote of the Board.

11. **Term; Termination.** This Agreement shall remain in full force and effect until the defeasance of any bond or other debt incurred with respect to any Regional Improvements funded under this Agreement, or until the ARI Mill Levy expires or is terminated, whichever last occurs.

12. **Notices.** All notices, demands, requests or other communications to be sent by one party to another 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: Aurora High Point at DIA Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 3
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 4
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 5
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 6
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 7
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 8
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 9
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 10
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Colorado International Center Metropolitan District No. 11
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn
(303) 987-0835
(303) 987-2032 (fax)

To: Eastgate Commercial Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Ann Finn

(303) 987-0835
(303) 987-2032 (fax)

To: Eastpark 70 Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Park 70 Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Sagebrush Metropolitan District No. 2
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
(303) 987-0835
(303) 987-2032 (fax)

To: Sorrell Ranch Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: WH Metropolitan District No. 1
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

To: Windler Homestead Metropolitan District
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Attn: Deborah D. McCoy
(303) 987-0835
(303) 987-2032 (fax)

With a McGeedy Sisneros
Copy to: 1675 Broadway, Suite 2100

Denver, CO 80202
(303) 592-4380
(303) 592-4385 (fax)

To: The City of Aurora
15151 East Alameda Parkway
Aurora, CO 80012
Attn: _____

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 parties hereto at least ten (10) days written notice thereof in accordance the provisions hereof, each of the Parties shall have the right from time to time to change its address.

13. **Assignment.** The parties hereto shall not assign any of their rights or delegate any of their duties hereunder to any person or entity without having first obtained the prior written consent of the Board, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

14. **Default/Remedies.** In the event of a breach or default of this Agreement by any party, the non-defaulting parties 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 substantially prevailing party in such proceeding shall be awarded as part of its judgment or award its reasonable attorneys' fees.

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

16. **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.

17. **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.

18. **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 Districts, the ARI Authority 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 Districts, the ARI Authority and the City shall be for the sole and exclusive benefit of the Districts, ARI Authority and City.

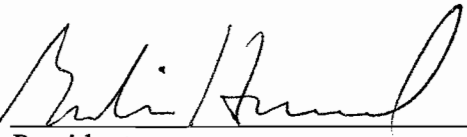
19. **Severability**. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention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

20. **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.

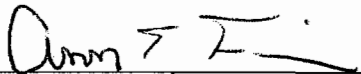
21. **Paragraph Headings**. Paragraph headings are inserted for convenience of reference only.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

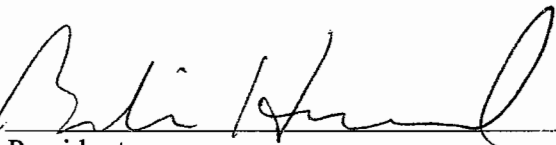
AURORA HIGH POINT AT DIA
METROPOLITAN DISTRICT, a quasi-municipal
corporation and political subdivision of the State of
Colorado

By: 
Its: President

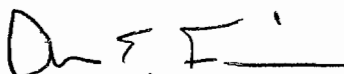
Attest:


Secretary

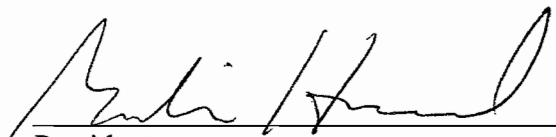
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 1, a quasi-
municipal corporation and political subdivision of
the State of Colorado

By: 
Its: President

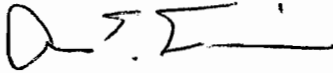
Attest:


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 3, a quasi-
municipal corporation and political subdivision of
the State of Colorado

By: 
Its: President

Attest:



Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 4, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____

Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 5, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____

Its: President

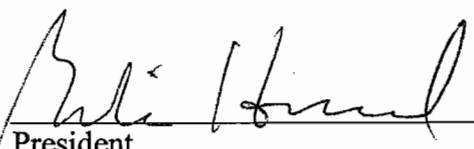
Attest:

Secretary

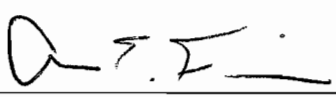
Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 4, a quasi-
municipal corporation and political subdivision
of the State of Colorado

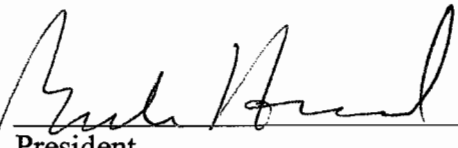
By: 
Its: President

Attest:



Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 5, a quasi-
municipal corporation and political subdivision
of the State of Colorado

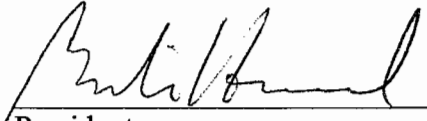
By: 
Its: President

Attest:

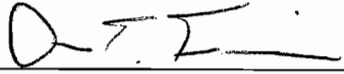


Secretary

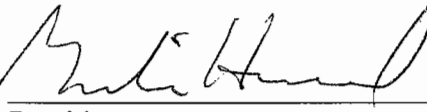
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 6, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

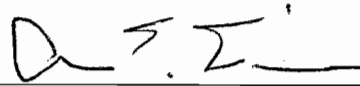
Attest:


Secretary

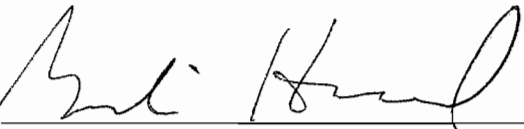
COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 7, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

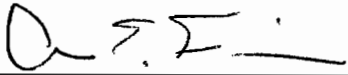
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Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 8, a quasi-
municipal corporation and political subdivision
of the State of Colorado

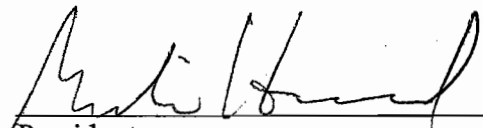
By: 
Its: President

Attest:

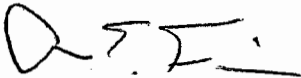


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 9, a quasi-
municipal corporation and political subdivision
of the State of Colorado

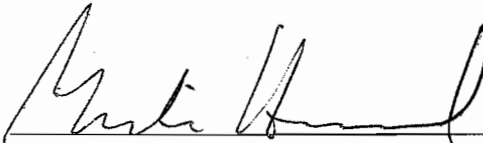
By: 
Its: President

Attest:

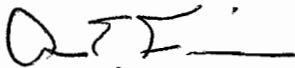


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 10, a quasi-
municipal corporation and political subdivision
of the State of Colorado

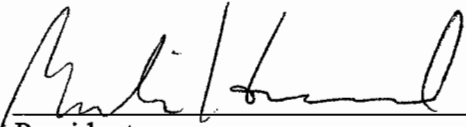
By: 
Its: President

Attest:

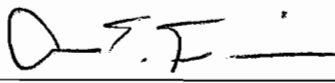


Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

Attest:


Secretary

EASTGATE COMMERCIAL
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

Attest:

Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

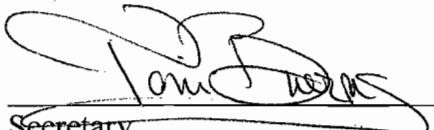
Attest:

Secretary

EASTGATE COMMERCIAL
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: 
Its: President

Attest:


Secretary

EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 11, a quasi-
municipal corporation and political subdivision
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By: _____
Its: President

Attest:

Secretary

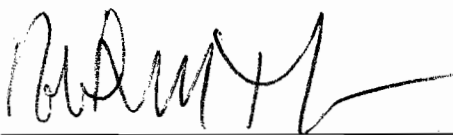
EASTGATE COMMERCIAL
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political subdivision
of the State of Colorado

By: _____
Its: President

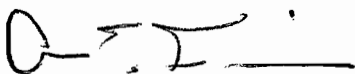
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Secretary

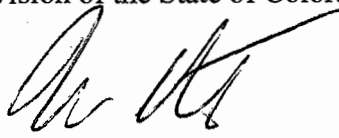
EASTPARK 70 METROPOLITAN DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President


Attest:

_____
Secretary

PARK 70 METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Its: President

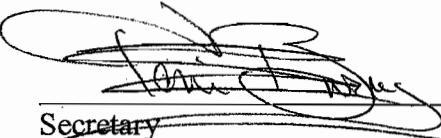
Attest:


Secretary

SAGEBRUSH METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:


Secretary

SAGEBRUSH METROPOLITAN DISTRICT,
NO. 2, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

PARK 70 METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President


Attest:

Secretary

SAGEBRUSH METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and
political subdivision of the State of Colorado

By:  _____
Its: President

Attest:

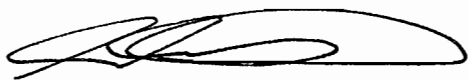


Secretary

SAGEBRUSH METROPOLITAN DISTRICT,
NO. 2, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:



Secretary

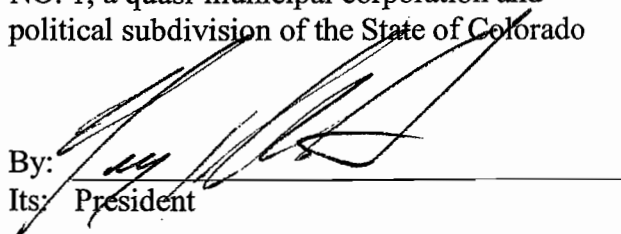
PARK 70 METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

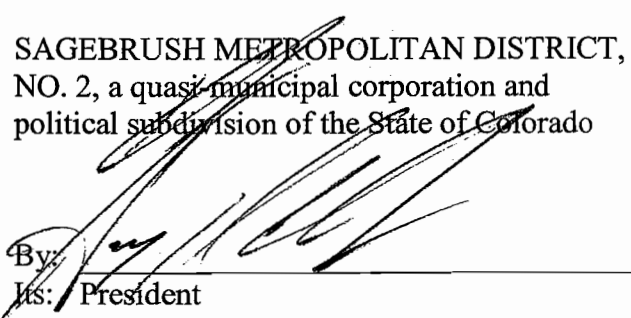
SAGEBRUSH METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 
Its: President

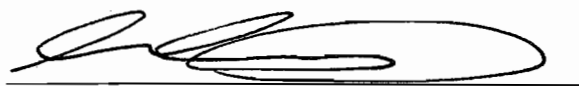
Attest:

Secretary

SAGEBRUSH METROPOLITAN DISTRICT,
NO. 2, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 
Its: President

Attest:



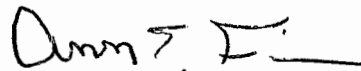
Secretary

SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President



Attest:


Secretary

WH METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

WINDLER HOMESTEAD METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

WH METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: Tom S
Its: President

Attest:

C. J. Belen
Secretary

WINDLER HOMESTEAD METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

C. J. Belen
Secretary

SORREL RANCH METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

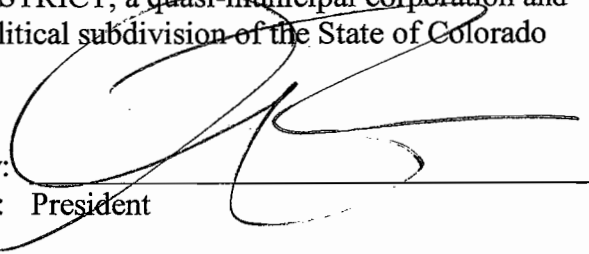
WH METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Its: President

Attest:

Secretary

WINDLER HOMESTEAD METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 
Its: President

Attest:


Secretary

GARY R. WHITE
KRISTEN D. BEAR
WILLIAM P. ANKELE, JR.
K. SEAN ALLEN
GEORGE M. ROWLEY***
JENNIFER L. GRUBER**

WHITE • BEAR • ANKELE
PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

VICTOR J. MUNTEANU
JOSEPH J. LICO
MELISSA E. RYAN
HEIDI JUHL*
CLINT C. WALDRON
LISA B. SANTOS
NEIL RUTLEDGE

August 22, 2007

VIA HAND DELIVERY

Ms. Nancy Bailey
Office of Development Assistance
City of Aurora
15151 Alameda Parkway, #5200
Aurora, Colorado 80012

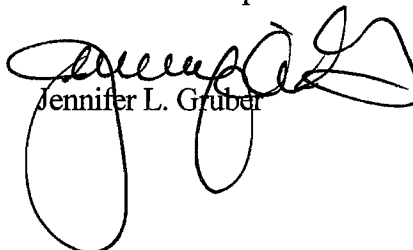
Re: ARI Authority No. 4 Establishment Agreement

Dear Nancy:

Pursuant to Article VI of the Model Service Plan for Murphy Creek Metropolitan District No. 4, Whispering Pines Metropolitan District Nos. 1-2 and Iliff Commons Metropolitan District Nos. 1-4 (collectively the "Districts"), the Districts are required to execute an ARI Authority Establishment Agreement within two (2) years of the date of approval by the City of the service plans for the Districts and to invite the City to join the authority created therein. The Districts' service plans were approved on August 22, 2005, and, therefore, the Districts are required to execute such agreement by today. Enclosed please find an executed ARI Authority Establishment Agreement for the creation of the ARI Authority No. 4.

This letter constitutes an offer to the City by the ARI Authority No. 4 for the City to join the Authority.

Very truly yours,
WHITE, BEAR & ANKELE
Professional Corporation


Jennifer L. Gruber

Enclosure

cc: Mike Hyman, Esq.

ACKNOWLEDGEMENT

Received this _____ day of August, 2007 from White, Bear & Ankele Professional Corporation, for the ARI Authority Establishment Agreement No. 4.

City of Aurora, Office of Development Assistance

By: _____

Printed Name: _____

Title: _____

AURORA REGIONAL IMPROVEMENT AUTHORITY NO. 4 ESTABLISHMENT AGREEMENT

THIS AGREEMENT ("Agreement"), entered into as of the 20th day of August, 2007, by and among the City of Aurora, Colorado, a political subdivision and municipal corporation of the Counties of Adams, Arapahoe, and Douglas and of the State of Colorado ("Aurora"), and each of the metropolitan districts that are signatories hereto, all of which are quasi-municipal corporations and political subdivisions of the State of Colorado (each a "District" or collectively the "Districts"). All signatories hereto are referred to herein as the "Parties" and individually as "Party."

RECITALS

WHEREAS, Aurora is a municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado, charged under the Constitution of the State of Colorado with the performance of municipal functions, duties and obligations; and

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes § 32-1-101, *et seq.*, as amended, by order of the district court and after approval of the eligible electors of the Districts at a special election, for the purpose of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain community improvement projects are contemplated that will provide various functions, services, and facilities within or for the benefit of Aurora and the Districts (the "Regional Improvements"); and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements and developing strategies to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, the general assembly has enacted Colorado Revised Statute § 29-1-203(4) to implement the provisions of Colorado Constitution Article XIV, Sections 18(2)(a) and (b), by authorizing political subdivisions to establish, by contract, a separate legal entity to provide any function, service, or facility lawfully authorized to each; and

WHEREAS, the Districts each operate under a service plan approved by Aurora on or after August 2004 (“Aurora Model Service Plan”) which allows the Districts to enter into an intergovernmental agreement with Aurora, or enter into an ARI Authority Establishment Agreement (and to invite Aurora to participate in such agreement), within two (2) years of the approval of its service plan, all as set forth in provisions of the Aurora Model Service Plan which sets forth requirements related to such intergovernmental agreement or ARI Authority Establishment Agreement (“ARI Agreement Requirement”); and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate, legal entity to be known as the Aurora Regional Improvement Authority No. 4 (the “Authority”) to exercise certain functions, services, or facilities as permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority hereby created be a “public entity” as defined in the Colorado Governmental Immunity Act, Colorado Revised Statutes §§ 24-10-101, *et seq.*, as amended; and

WHEREAS, the Parties intend by entering into this Agreement that the Authority, and certain projects undertaken by the Authority, be an “Enterprise” as defined in the Constitution of Colorado, Article X, Section 20; and

WHEREAS, it is deemed in the best interests of the Parties and for the public health, safety, convenience, and welfare of the residents of the Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the services necessary to acquire, construct, finance, maintain, manage, promote and implement Regional Improvements that may be identified and agreed upon by the Parties from time to time.

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed herein, it is agreed by and between the Parties hereto, as follows:

Article One General Provisions

1.1. Formation of Entity. Upon the effective date of this Agreement, there is hereby established by this Agreement a separate legal entity to be known as the Aurora Regional Improvement Authority No. 4. The Parties agree the Authority is an independent legal entity, separate and distinct from the Parties. The Authority shall have the powers as set forth herein and is authorized to engage in the functions and services as further provided herein.

1.2. Governing Body. The Authority shall be governed by a board of directors (“Board”) which Board shall have the power to provide the functions and services for which the Authority is formed, as set forth more fully in Article Two herein.

1.3. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in ARI Master Plans, as defined in the Aurora Model Service Plan.

1.4. Immunity. The Authority shall be a “public entity” as defined by the Colorado Governmental Immunity Act, Colorado Revised Statutes, § 24-10-101, *et seq.*, as amended.

1.5. Enterprise. The Authority shall be an “Enterprise” as defined by the Constitution of Colorado, Article X, Section 20.

1.6. Duration of the Agreement. The Authority shall operate for a term beginning August 22, 2007, and terminate as provided in Article Seven.

1.7. Effective Date. This Agreement shall be effective upon the date when at least three Districts execute this Agreement, provided that each such District satisfies the ARI Agreement Requirement, and it shall be deemed effective whether or not all of the Districts and/or Aurora have executed this Agreement. The terms of this Agreement shall become effective as to each District that is a signatory hereto upon execution by such District or upon execution by the Operating District, (as defined in the Aurora Model Service Plan), on such District’s behalf. Upon execution by an Operating District, each District existing under such Operating District’s Aurora Model Service Plan shall be deemed to be a Party hereto and shall be fully bound hereby.

1.8. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority’s performance of its obligations under this Agreement.

Article Two

Organizational Structure

2.1. Board of Directors. The Authority’s governing body shall be a Board of Directors (“Board”) which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the District which appointed the Board member. Such service shall be without compensation by the Authority. Board members may be reimbursed for their actual expenses incurred in serving the Authority but only as approved by unanimous vote of the Authority Board. Districts entitled to appoint a Board member, and Aurora if it executes this Agreement, may be referred to herein as “Members.”

2.2. Composition of Board. Where two or more Districts are a party to an intergovernmental agreement (“District IGA”) that delegates decision making authority regarding the construction and financing of public improvements to a single district (“Operating District”), only the Operating District shall be entitled to appoint a Member to the Board. Districts which are not a party to a District IGA shall be entitled to appoint one (1) representative each provided they have executed this Agreement on their own behalf. If an Operating District is dissolved or consolidated with any other District, the remaining Districts that were a party to

the District IGA shall collectively appoint one (1) representative. Murphy Creek Metropolitan District No. 4 shall be entitled to appoint one (1) Board member. Aurora shall be entitled to appoint one (1) Board member regardless of its voting power described below.

2.3. Addition of New Members. The Authority may add new Members from time to time as it determines necessary and prudent. New Members may be added by a written amendment to this Agreement approved in writing by all the members. Any amendments of this Agreement to add additional Members shall be ratified at the next meeting of the Board. To be eligible as a Member of the Authority, the new party must first be bound by an Aurora Model Service Plan subject to the ARI Agreement Requirement and also agree to become bound by the terms of this Agreement. New Members shall be allowed to appoint representatives to the Board of Directors in accordance with Article 2.2

2.4. Voting and Quorum. Each Board member appointed by a Member shall have one (1) vote. Notwithstanding the foregoing, if Aurora executes this Agreement its representative shall be entitled to thirty percent (30%) of the Authority's total voting power. Such voting power, expressed in a number of "votes," shall be adjusted from time to time to account for the addition of new Members so as to preserve Aurora's 30% voting power. A quorum of the Board shall consist of Board Members representing two-thirds of the votes counting Aurora as one (1) vote for quorum purposes. No official action may be taken by the Board on any matter unless a quorum is present. A quorum may be established by telephonic attendance of a Member provided that a quorum must continue to exist at the time any vote is taken. No powers of the Authority may be exercised, and no cost may be incurred, or other debt, liability or obligation for or on behalf of the Authority may be created without the unanimous vote of all Authority Members.

2.5. Bylaws and Regulations. The Authority shall have the power to elect or appoint such officers and to adopt such bylaws and internal regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

2.6. Withdrawal. A Member may withdraw from the Authority and be released from this Agreement at any time, and cease being a Member of the Authority, in order to form a separate authority or enter into a separate intergovernmental agreement for purposes of compliance with the ARI Agreement Requirement. A Member's withdrawal shall not be effective until: 1) the Member has provided the other Members with sixty (60) days written notice; and 2) if the withdrawal will result in there being less than three (3) separate Approved Development Areas represented in the Authority, the withdrawing member shall provide written consent from Aurora indicating that the withdrawal will not result in the ARI Revenue being conveyed to Aurora under Section VI.C. of the Aurora Model Service Plan.

Article Three Project Committees

3.1. Project Committees. Members from three (3) or more Approved Development Plan areas, as defined by the Aurora Model Service Plan, may, by separate written agreement, form a "Project Committee." No Member shall be obligated to participate in any Project

Committee, nor shall any Member be deemed to be part of any project undertaken by the Authority, without its written consent. Absent such consent, no ARI Mill Levy Revenue attributable to such Member may be used for any purpose. Each Member of a Project Committee may propose an ARI Master Plan for consideration by the Project Committee. Project Committees that have an ARI Master Plan shall have the authority to use revenues from the ARI Mill Levy, as defined in the Aurora Model Service Plan, attributable to their Districts, for the construction of the Regional Improvements in an approved ARI Master Plan. Each Project Committee shall be entitled to adopt its own rules of procedure, operation and participation, all to be set forth in writing acceptable to the Project Committee members.

Article Four **Powers of the Authority**

4.1. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided herein, shall exercise all powers lawfully authorized herein by the Parties pursuant to Colorado Revised Statutes, § 29-1-203, as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to the Bylaws and Regulations. The Authority shall not have the power to represent itself as or act as agent for or on behalf of the other Parties without their written consent.

4.2. Enumerated Powers. The Authority's powers shall be exercised only by unanimous consent of the Board, or in the case of a Project Committee, by unanimous consent of such Project Committee. Such powers shall include the following:

- A. To hold, acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property in the name of the Authority;
- B. To make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, nonprofit corporations, and state or federal agencies;
- C. To make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Authority and from funding, including loans, provided by the Parties or either of them, as deemed appropriate, for goods and services;
- D. To sue and be sued in the Authority's own name;
- E. To hire and fire agents, employees, consultants and professionals pursuant to the Bylaws and Regulations of the Authority;
- F. To provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' service plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of

its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;

- G. To fix, maintain, and revise fees, rates, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;
- H. To acquire, construct, manage, maintain, operate, lease, or otherwise dispose of real property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement;
- I. To prepare and implement a pay, retirement and benefits compensation plan for all employees of the Authority;
- J. To prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Article Five;
- K. To adopt, modify, and amend Bylaws and Regulations pursuant to Article 2.6, above;
- L. To enter into agreements for the purpose of securing any necessary professional, administrative, or support services;
- M. To keep and maintain financial books and records to account for all expenditures of funds, and to obtain an independent audit conducted by Certified Public Accountants selected by the Board, of such records annually with the results of same submitted to the Parties;
- N. To accept contributions, grants, or loans from any public or private agency, individual, or the United States or any department, instrumentality, or agency thereof, for the purpose of financing its activities;
- O. To adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, Colorado Revised Statutes, as amended, for the investment of public funds or by public entities;
- P. To contract for goods or services;
- Q. To issue revenue bonds or other obligations as provided herein to finance Improvement Projects in accordance with Article 5.5, herein;
- R. To enter into lease-purchase agreements and issue certificates of participation in accordance with Colorado Revised Statutes § 29-1-101, *et seq.*, as amended;

- S. To take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;
- T. To condemn property for public purposes through the power of eminent domain;
- U. To control and accept public rights of way.

4.3. Implied Powers. In determining what implied powers the Authority has under Article Three, herein, it shall be clearly understood the Authority shall not have the following powers:

- A. Taxation.
- B. Special assessments pursuant to Article 25 of Title 31, Colorado Revised Statutes, and Article 1 of Title 32, Colorado Revised Statutes, as amended.
- C. Creation of general obligation debt.
- D. Zoning or other governmental powers over land use.
- E. Building, fire code, public health and safety regulations.
- F. Imposition or assessment against the Parties to this Agreement of any fees, rates, or charges, except that the Districts shall advance funds for operations of the Authority in the event the Authority does not have sufficient revenue.
- G. Assignment or delegation of any specific powers, duties or responsibilities imposed by this Agreement, except as authorized by the Parties in writing.

4.4. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by the Board, as amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

4.5. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Article Five Budgets/Funding/Debt

5.1. Annual Budget. No later than November 1 of each year, the Board shall have authority to cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to Aurora and the Districts. The budget adopted by the Board shall conform with the requirements of the Local Government Budget Law of

Colorado, Colorado Revised Statutes § 29-1-101, *et seq.*, as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with statute. Pursuant to Colorado Revised Statutes § 29-1-103(1), the Authority shall not be required to file a budget while the Districts are holding the ARI Revenue in District accounts and the financial activities are being reported by the Districts.

5.2. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual Members or Project Committees. Any revenue bonds issued with a pledge, or which results in a pledge, by any District that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, both as defined by the Aurora Model Service Plan, shall be deemed a material modification of such Districts' service plans pursuant to Colorado Revised Statutes §32-1-207 and shall not be an authorized issuance of debt unless and until such material modification has been approved by Aurora as part of a service plan amendment.

5.3 Operations Costs. Each of the Districts that is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year in conjunction with the budget process and the operational costs shall be allocated on a pro-rata basis between all of the Districts. Any distribution of funds to Districts or Project Committees with approved ARI Master Plans or pledges of ARI Mill Levy to bonds, shall be net of funds necessary to operate the Authority. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from ARI Mill Levy revenue received from each respective district.

5.4. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account on an accrual basis in accordance with the Local Government Uniform Accounting Law, Colorado Revised Statutes § 29-1-501, *et seq.*, as amended. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Colorado Revised Statutes § 29-1-601, *et seq.*, as amended. The audit shall be completed within six (6) months after the close of the fiscal year and shall be presented to the Parties no later than thirty (30) days after receipt of the audit report by the Board. The Authority shall hold ARI Mill Levy revenue it receives in segregated accounts under the name of the District contributing the funds. All funds received by the Authority shall be invested in accordance with state statutory requirements. Pursuant to Colorado Revised Statutes, § 29-1-603(1) the Authority shall not be required to file an audit while the Districts are holding the ARI Revenue in District accounts and the financial activities are being reported by the Districts.

5.5. Remittance of Funds to Authority. Until such time as there is a unanimous vote of the Members, or a unanimous vote of a Project Committee, requiring the ARI Mill Levy revenue to be transferred to the Authority, the ARI Mill Levy revenue shall be held by the Districts. Each District receiving ARI Mill Levy revenue shall hold such funds in a segregated account so that the funds may be tracked separately. At such time as the ARI Mill Levy revenue

is required to be transferred to the Authority, it shall be transferred to the Authority within thirty (30) days of receipt by each District. In the case of Districts that are a party to a District IGA, the respective Districts shall transfer the ARI Mill Levy to the Operating District, which shall, in turn, transfer the funds to the Authority within thirty (30) days of receipt.

5.6. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board.

Article Six Assets of the Authority

6.1. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Article Seven Termination

7.1. Termination By Notice. This Agreement will terminate, subject to the Districts' conformance with the provisions of their respective Aurora Model Service Plans, after provision has been made for the discharge of any debt issued by the Authority, by a two-thirds vote of the Board.

7.2. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board shall wind-up and liquidate the assets of the Authority. In addition, any debts of the Authority shall not constitute debt or financial obligation or become the responsibility of the Parties.

Article Eight Miscellaneous Provisions

8.1. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

City of Aurora: City of Aurora
 Attn: City Attorney
 15151 E. Alameda Pkwy.
 Suite 5300
 Aurora, CO 80012

District: Whispering Pines Metropolitan District Nos. 1 and 2
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Illiff Commons Metropolitan District No. 1
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Illiff Commons Metropolitan District No. 2
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Illiff Commons Metropolitan District No. 3
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Illiff Commons Metropolitan District No. 4
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

District: Murphy Creek Metropolitan District No. 4
 White, Bear & Ankele, Professional Corporation
 1805 Shea Center Drive, Suite 100
 Highlands Ranch, CO 80129

8.2. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

8.3. Amendments. No alterations, amendments or modifications hereof shall be valid unless executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever. Amendments shall only be binding upon those parties executing the amendment.

8.4. Severability. If any clause or provision herein contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

8.5. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

8.6. Assignment and Delegation. Neither Party shall assign any of the rights nor delegate any of the duties by this Agreement without the written consent of the other Parties. Any attempted assignment or delegation not in conformance with this provision shall be void.

8.7. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado.

8.8. Paragraph Headings. The paragraph headings are inserted herein only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

8.9. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

8.10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. Each District that is party to a District IGA, may by its election become a party hereto by authorizing the Operating District to sign on its behalf. Such election shall be evidenced by a resolution adopted by each District granting authority to its Operating District to execute this Agreement or ratify execution hereof on its behalf.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA

By: _____
Mayor

ATTEST:

By: _____
Clerk and Recorder

APPROVED AS TO FORM:

By: _____
City Attorney

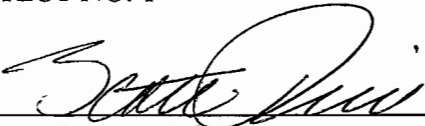
WHISPERING PINES METROPOLITAN
DISTRICT NOS. 1 and 2 by WHISPERING
PINES METROPOLITAN DISTRICT NO. 1

By: James A. Dulka
Name: James A. Dulka
Title: President


ATTEST:

By: [Signature]
Name: Steven A. Nichols
Title: Secretary/Treasurer

ILLIFF COMMONS METROPOLITAN
DISTRICT NO. 1

By: 
Name: SCOTT PRICE
Title: President


ATTEST:

By: 
Name: DEBRA K. HERRING
Title: Secretary/Treasurer

ILLIFF COMMONS METROPOLITAN
DISTRICT NO. 2

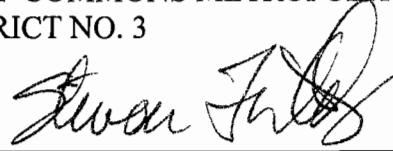
By: 
Name: SCOTT PRICE
Title: President

ATTEST:

By: 
Name: DEBRA K. HEDDINGTON
Title: Secretary/Treasurer

ILLIFF COMMONS METROPOLITAN
DISTRICT NO. 3

By:



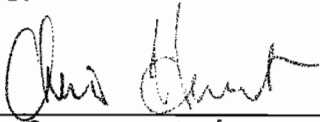
Name:

STEVEN FIELDER

Title: President

ATTEST:

By:

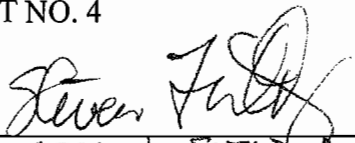


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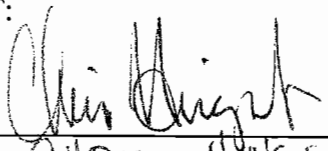
CHRIS HINGST

Title: Secretary/Treasurer

ILLIFF COMMONS METROPOLITAN
DISTRICT NO. 4

By: 
Name: STEVEN FIELDER
Title: President

ATTEST:

By: 
Name: CHRIS HINGST
Title: Secretary/Treasurer

MURPHY CREEK METROPOLITAN
DISTRICT NO. 4

By: 

Name: _____

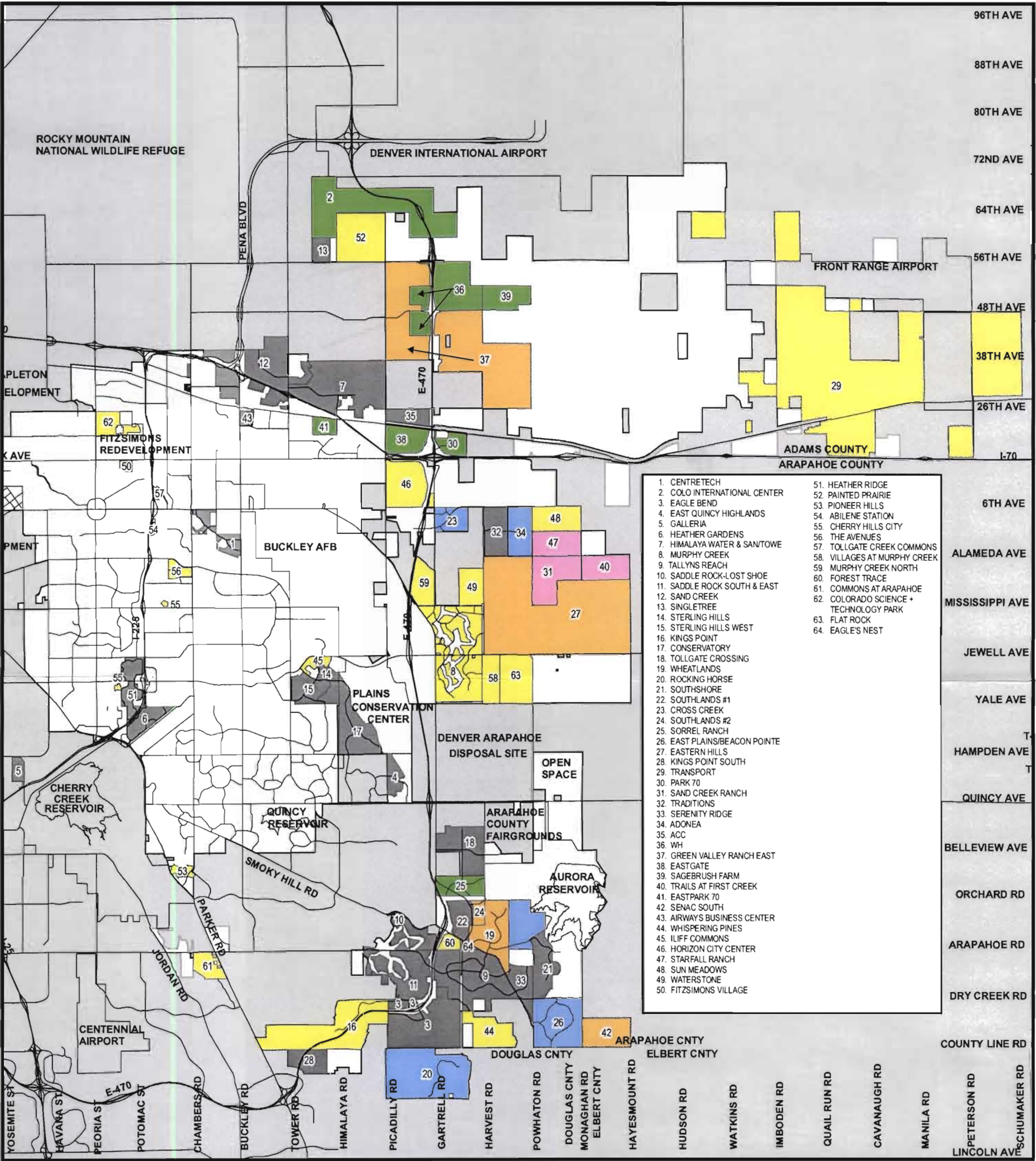
Title: President

ATTEST:

By: 

Name: Scott Alpert Jaffres

Title: Secretary/Treasurer

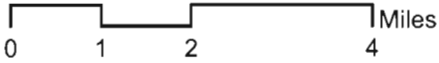


- | | |
|------------------------------|--|
| 1. CENTRETECH | 51. HEATHER RIDGE |
| 2. COLO INTERNATIONAL CENTER | 52. PAINTED PRAIRIE |
| 3. EAGLE BEND | 53. PIONEER HILLS |
| 4. EAST QUINCY HIGHLANDS | 54. ABILENE STATION |
| 5. GALLERIA | 55. CHERRY HILLS CITY |
| 6. HEATHER GARDENS | 56. THE AVENUES |
| 7. HIMALAYA WATER & SANTOWE | 57. TOLLGATE CREEK COMMONS |
| 8. MURPHY CREEK | 58. VILLAGES AT MURPHY CREEK |
| 9. TALLYNS REACH | 59. MURPHY CREEK NORTH |
| 10. SADDLE ROCK-LOST SHOE | 60. FOREST TRACE |
| 11. SADDLE ROCK SOUTH & EAST | 61. COMMONS AT ARAPAHOE |
| 12. SAND CREEK | 62. COLORADO SCIENCE + TECHNOLOGY PARK |
| 13. SINGLETREE | 63. FLAT ROCK |
| 14. STERLING HILLS | 64. EAGLE'S NEST |
| 15. STERLING HILLS WEST | |
| 16. KINGS POINT | |
| 17. CONSERVATORY | |
| 18. TOLLGATE CROSSING | |
| 19. WHEATLANDS | |
| 20. ROCKING HORSE | |
| 21. SOUTHSORE | |
| 22. SOUTHLANDS #1 | |
| 23. CROSS CREEK | |
| 24. SOUTHLANDS #2 | |
| 25. SORREL RANCH | |
| 26. EAST PLAINS/BEACON POINT | |
| 27. EASTERN HILLS | |
| 28. KINGS POINT SOUTH | |
| 29. TRANSPORT | |
| 30. PARK 70 | |
| 31. SAND CREEK RANCH | |
| 32. TRADITIONS | |
| 33. SERENITY RIDGE | |
| 34. ADONEA | |
| 35. ACC | |
| 36. WH | |
| 37. GREEN VALLEY RANCH EAST | |
| 38. EASTGATE | |
| 39. SAGEBRUSH FARM | |
| 40. TRAILS AT FIRST CREEK | |
| 41. EASTPARK 70 | |
| 42. SENAC SOUTH | |
| 43. AIRWAYS BUSINESS CENTER | |
| 44. WHISPERING PINES | |
| 45. ILIFF COMMONS | |
| 46. HORIZON CITY CENTER | |
| 47. STARFALL RANCH | |
| 48. SUN MEADOWS | |
| 49. WATERSTONE | |
| 50. FITZSIMONS VILLAGE | |

Legend

- Aurora
- Outside City Limit
- ARI Status
 - ARIA 1
 - ARIA 2
 - ARIA 3
 - ARTA
 - Deadline Pending
 - ARI Not Applicable

City of Aurora
Title 32 Metro Districts
With The Aurora Regional Improvement Mill Levy (ARI) Commitment
as of July 2007



City of Aurora Planning Department
15151 East Alameda Parkway
Aurora CO 80012
phone 303.739.7259 fax 303.739.7268
www.auroragov.org

