

**AMENDED AND RESTATED
CONSOLIDATED SERVICE PLAN
FOR**

COPY

**WHEATLANDS METROPOLITAN DISTRICT NO. 1
AND
WHEATLANDS METROPOLITAN DISTRICT NO. 2**

AND

**SERVICE PLAN FOR
WHEATLANDS METROPOLITAN DISTRICT NO. 3
CITY OF AURORA, COLORADO**

Prepared

by

White, Bear & Ankele Professional Corporation
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80129

August 6, 2004

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	Purpose and Intent.....	1
B.	Need for the Districts.	1
C.	Objective of the City Regarding Districts Service Plans.	1
II.	DEFINITIONS.....	2
III.	BOUNDARIES.....	5
IV.	PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION.	5
V.	DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES.....	6
A.	Powers of the Districts and Service Plan Amendment.	6
1.	Operations and Maintenance Limitation.....	6
2.	Fire Protection Limitation.....	6
3.	Television Relay and Translation Limitation	6
4.	Golf Course Construction Limitation	7
5.	Construction Standards Limitation	7
6.	Privately Placed Debt Limitation.....	7
7.	Inclusion Limitation.....	7
8.	Initial Debt Limitation	7
9.	Total Debt Issuance Limitation.....	7
10.	Monies from Other Governmental Sources	7
11.	Consolidation Limitation	8
12.	Bankruptcy Limitation	8
13.	Service Plan Amendment Requirement.....	8
B.	Preliminary Engineering Survey.....	8
C.	Multiple District Structure.	9
VI.	REGIONAL IMPROVEMENTS.....	9
VII.	FINANCIAL PLAN.....	10
A.	General.....	10
B.	Maximum Voted Interest Rate and Maximum Underwriting Discount.	11
C.	Maximum Debt Mill Levy.	11
D.	Maximum Debt Mill Levy Imposition Term.	12
E.	Debt Repayment Sources.....	12
F.	Debt Instrument Disclosure Requirement.....	12
G.	Security for Debt.....	12
H.	TABOR Compliance.....	13
I.	Districts' Operating Costs.....	13
VIII.	ANNUAL REPORT	13
A.	General.....	13
B.	Reporting of Significant Events.....	13

IX.	DISSOLUTION	14
X.	DISCLOSURE TO PURCHASERS.....	14
XI.	INTERGOVERNMENTAL AGREEMENT	14
XII.	CONCLUSION.....	15

LIST OF EXHIBITS

EXHIBIT A	Legal Descriptions
EXHIBIT B	Aurora Vicinity Map
EXHIBIT C-1	Initial Districts Boundary Maps
EXHIBIT C-2	Inclusion Area Boundary Map
EXHIBIT D	Intergovernmental Agreement between the Districts and Aurora

I. INTRODUCTION

A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Ameded and Restated Consolidated Service Plan for Wheatlands Metropolitan District Nos. 1 and 2, and Service Plan for Wheatlands Metropolitan District No. 3 ("Service Plan"), their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

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

B. Need for the Districts.

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

C. Objective of the City Regarding Districts Service Plans.

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

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

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

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

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

II. DEFINITIONS

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

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

ARI or Regional Improvements: means Aurora Regional Improvements.

ARI Authority: means one or more Authorities established by an ARI Authority Establishment Agreement.

ARI Establishment Agreement: means an intergovernmental agreement establishing an ARI Authority which has, at minimum, Title 32 special districts from three (3) or more Approved Development Plan areas as parties to the Agreement.

ARI Master Plan: means one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time.

ARI Mill Levy: means the following:

- A. For districts with property within their boundaries developed with any residential uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district

in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the 20th year; and (ii) shall be five (5) mills from the 21st year through the 40th year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and (iii) for an additional 10 years, the mill levy shall be equal to the average debt service mill levy imposed by such district in the 10 years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements; and

B. For districts with property within their boundaries developed solely for commercial uses means the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the ARI Master Plan, which: (i) shall be one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the 20th year; (ii) shall be 1.5 mills from the 21st year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and (iii) for 5 years thereafter, the mill levy shall be the lesser of 20 mills or a mill levy equal to the average debt service mill levy imposed by such district in the 10 years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; and

C. Any district may, pursuant to any intergovernmental agreement with the City, extend the term for application of the ARI Mill Levy beyond the years set forth in A and B above. The Maximum Mill levy Imposition Term shall include the terms set forth in A and B above and any extension of the term as approved in an intergovernmental agreement as described herein.

D. All mills described in this ARI Mill Levy definition shall be subject to adjustment as follows: On or after January 1, 2004, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the one (1) mill levy described above may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes, for purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Board: means the board of directors of one District or the boards of directors of all Districts, in the aggregate.

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

City: means the City of Aurora, Colorado.

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

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

District: means any one of the Wheatlands Metropolitan District Nos. 1 through 3.

District No. 1: means the Wheatlands Metropolitan District No. 1.

District No. 2: means the Wheatlands Metropolitan District No. 2.

District No. 3: means the Wheatlands Metropolitan District No. 3.

Districts: means District No. 1 and District Nos. 2 and 3 collectively.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

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

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

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

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

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

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

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

Operating District: means District No. 1.

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

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

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

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

Service Plan: means this service plan for the Districts approved by City Council.

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

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

State: means the State of Colorado.

Taxing District: means District Nos. 2 and 3.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 440.014 acres and the total area proposed to be included in the Inclusion Area Boundaries is approximately 0 acres. A legal description of the Initial District Boundaries and the Inclusion Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Inclusion Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes inclusions and exclusions pursuant to Section 32-1-401, et seq., C.R.S., and Section 32-1-501, et seq., C.R.S., subject to the limitations set forth in Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately 440.014 acres of residential, commercial and parks/open space land. The current assessed valuation of Wheatlands Metropolitan District Nos. 1 and 3 is \$10.00 and the assessed valuation of Wheatlands Metropolitan District No. 2 is \$635,440.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the Districts at build-out is estimated to be approximately 4,000 people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units

or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Service Plan Amendment.

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

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

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

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

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

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

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

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

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

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

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

9. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of \$55,000,000.

10. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not

apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

11. Consolidation Limitation. District No. 1 shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with District Nos. 2 and 3.

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

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

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

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

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

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately \$43,000,000.

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Development Plan. All construction cost

estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of this Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement without the consent of all of the Districts shall be a material modification of the Service Plan. Said intergovernmental agreement may be amended by mutual agreement of the Districts without the need to amend this Service Plan.

VI. REGIONAL IMPROVEMENTS

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C below.

The Taxing Districts shall impose the ARI Mill Levy and shall convey it as follows:

A. If the Districts have 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 the 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; or

B. If the City and the Districts have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the Districts in accordance with such agreement; or

C. If neither Section VI.A nor VI.B above is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under this Section VI and shall not expend such revenue until an intergovernmental agreement is executed between the Districts establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the

intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the Districts as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, any District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI.B above. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Sections VI.A, B, or C set forth above, unless the City has agreed otherwise in writing; provided, however, in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and transportation related improvements. The Districts shall cease to be obligated to impose, collect and convey to the appropriate entity, as described above, the revenue from the ARI Mill Levy described in this Section VI at such time as the area within the Districts' boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

The Districts shall have the authority to issue Debt for the Regional Improvements, in an amount not to exceed \$55,000,000 pursuant to agreements as described in VI.A, B, or C above.

VII. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed \$55,000,000 and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and shall be phased to serve development as it occurs. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes to be imposed upon all taxable

property within the Districts. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

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

C. Maximum Debt Mill Levy.

The "Maximum Debt Mill Levy" shall be the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Debt, and shall be determined as follows:

1. For the portion of any aggregate Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 below; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

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

To the extent that the Districts are composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that

each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

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

E. Debt Repayment Sources.

Each of the Districts may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l), C.R.S., as amended from time to time. In no event shall the debt service mill levy in any District exceed the Maximum Debt Mill Levy or, for residential property within a District, the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the Operating District and the City for Regional Improvements.

F. Debt Instrument Disclosure Requirement.

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

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

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

G. Security for Debt.

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall

anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

H. TABOR Compliance.

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

I. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the districts' organization and initial operations, are anticipated to be \$100,000, which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be \$100,000 which is anticipated to be derived from property taxes and other revenues.

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

VIII. ANNUAL REPORT

A. General.

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

B. Reporting of Significant Events.

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

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the Districts' rules and regulations, if any as of December 31 of the prior year.

4. A summary of any litigation which involves the Districts Public Improvements as of December 31 of the prior year.

5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year.

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.

7. The assessed valuation of the Districts for the current year.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

9. Audit of the Districts financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

IX. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

X. DISCLOSURE TO PURCHASERS

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

XI. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the Districts' activities, is attached hereto as **Exhibit D**. The Districts shall approve the intergovernmental agreement in the form attached as **Exhibit D** at their first Board meeting after their organizational elections. Failure of the Districts to execute the

intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit D** at the public hearing approving the Service Plan.

XII. CONCLUSION

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

1. There is sufficient existing and projected need for organized service in the area to be serviced by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;
3. The Districts are capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the Districts does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the special districts are to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.

Respectfully submitted this 6th day of August, 2004.

By: _____

White, Bear & Ankele Professional Corporation
Attorneys for the Proponents of the Districts

EXHIBIT A

Legal Descriptions

LEGAL DESCRIPTION

THE WHEATLANDS DISTRICT NO. 2

A PARCEL OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 19, THE WEST HALF OF SECTION 20, THE NORTH HALF OF SECTION 29 AND THE NORTHEAST QUARTER OF SECTION 30, ALL IN TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 20; THENCE ALONG THE WESTERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20, WITH ALL BEARINGS MADE AS A REFERENCE HEREON, NORTH 00°09'12" EAST 2643.69 FEET TO THE NORTHWEST CORNER OF SAID SECTION 20;

THENCE ALONG THE NORTHERLY LINE OF SAID NORTHWEST QUARTER, NORTH 89°27'39" EAST 2614.39 FEET TO THE WESTERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED BY A QUIT CLAIM DEED RECORDED UNDER RECEPTION NO. A8033440 IN THE RECORDS OF THE ARAPAHOE COUNTY CLERK AND RECORDER;

THENCE DEPARTING SAID NORTHERLY LINE AND ALONG SAID WESTERLY BOUNDARY AND SOUTHERLY BOUNDARY THE FOLLOWING FOUR (4) COURSES:

1. SOUTH 00°11'44" WEST 2652.03 FEET;
2. SOUTH 00°12'14" WEST 2612.79 FEET;
3. SOUTH 02°44'13" EAST 41.58 FEET TO THE SOUTHERLY LINE OF SAID SOUTHWEST QUARTER OF SECTION 20;
4. ALONG SAID SOUTHERLY LINE, NORTH 89°53'00" EAST 12.24 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER OF SECTION 20;

THENCE DEPARTING SAID WESTERLY AND SOUTHERLY BOUNDARIES AND ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SECTION 29, SOUTH 00°13'53" EAST 1549.07 FEET;

THENCE DEPARTING SAID EASTERLY LINE, SOUTH 66°44'58" EAST 203.22 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 460.00 FEET AND A RADIAL BEARING OF NORTH 69°37'45" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE 81.81 FEET THROUGH A CENTRAL ANGLE OF 10°11'23" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 62.00 FEET AND A RADIAL BEARING OF SOUTH 05°51'23" EAST;

THENCE SOUTHWESTERLY ALONG SAID CURVE 94.58 FEET THROUGH A CENTRAL ANGLE OF 87°24'03";

THENCE NON-TANGENT TO SAID CURVE, SOUTH 48°08'09" WEST 277.22 FEET;

THENCE SOUTH 41°51'51" EAST 146.80 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 136.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE 38.60 FEET THROUGH A CENTRAL ANGLE OF 16°15'37" TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 164.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE 46.54 FEET THROUGH A CENTRAL ANGLE OF 16°15'37";

THENCE TANGENT TO SAID CURVE, SOUTH 41°51'51" EAST 37.24 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 25.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE 39.23 FEET THROUGH A CENTRAL ANGLE OF 89°54'09" TO THE NORTHERLY RIGHT-OF-WAY OF EAST ARAPAHOE ROAD;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY THE FOLLOWING FOUR (4) COURSES:

1. TANGENT TO SAID CURVE, SOUTH 48°02'18" WEST 106.68 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 880.00 FEET;

THE WHEATLANDS DISTRICT NO. 2 (CONT)

2. SOUTHWESTERLY ALONG SAID CURVE 263.70 FEET THROUGH A CENTRAL ANGLE OF 17°10'10";
3. TANGENT TO SAID CURVE, SOUTH 65°12'28" WEST 123.24 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 25.00 FEET;
4. NORTHWESTERLY ALONG SAID CURVE 38.89 FEET THROUGH A CENTRAL ANGLE OF 89°07'11";

THENCE DEPARTING SAID FUTURE NORTHERLY RIGHT-OF-WAY NON-TANGENT TO SAID CURVE, SOUTH 25°40'57" EAST 237.22 FEET TO THE TO THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 29;

THENCE ALONG SAID SOUTHERLY LINE, SOUTH 88°47'59" WEST 28.57 FEET TO THE PRESENT NORTHERLY RIGHT-OF-WAY OF SMOKY HILL ROAD;

THENCE ALONG SAID PRESENT NORTHERLY RIGHT-OF-WAY THE FOLLOWING EIGHT (8) COURSES:

1. NORTH 25°40'14" WEST 1755.05 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 3265.96 FEET AND A RADIAL BEARING OF SOUTH 64°20'43" WEST;
2. NORTHERLY ALONG SAID CURVE 244.36 FEET THROUGH A CENTRAL ANGLE OF 04°17'13" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 633.00 FEET AND A RADIAL BEARING OF SOUTH 60°03'13" WEST;
3. NORTHWESTERLY ALONG SAID CURVE 310.97 FEET THROUGH A CENTRAL ANGLE OF 28°08'49" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1180.00 FEET AND A RADIAL BEARING OF SOUTH 31°56'43" WEST;
4. NORTHWESTERLY ALONG SAID CURVE 360.46 FEET THROUGH A CENTRAL ANGLE OF 17°30'09";
5. NON-TANGENT TO SAID CURVE, NORTH 75°37'29" WEST 665.44 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1505.98 FEET AND A RADIAL BEARING OF NORTH 14°27'34" EAST;
6. WESTERLY ALONG SAID CURVE 272.15 FEET THROUGH A CENTRAL ANGLE OF 10°21'15";
7. NON-TANGENT TO SAID CURVE, NORTH 63°52'01" WEST 747.14 FEET;
8. NORTH 63°08'23" WEST 1164.80 FEET TO THE EAST LINE OF THE WEST 940 FEET OF SAID SOUTHEAST QUARTER OF SECTION 19, SAID LINE BEING ALSO THE WESTERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED AS PARCEL 1 IN A SPECIAL WARRANTY DEED RECORDED UNDER RECEPTION NO. B2024554 OF SAID ARAPAHOE COUNTY RECORDS;

THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY AND ALONG SAID WESTERLY BOUNDARY AND THE NORTHERLY BOUNDARY OF THE ABOVE DESCRIBED PARCEL THE FOLLOWING FOUR (4) COURSES:

1. NORTH 00°04'45" EAST 662.08 FEET;
2. NORTH 32°24'29" EAST 341.52 FEET;
3. SOUTH 56°58'59" EAST 362.26 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 789.00 FEET;
4. SOUTHEASTERLY ALONG SAID CURVE 464.51 FEET THROUGH A CENTRAL ANGLE OF 33°43'56" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 949.00 FEET AND A RADIAL BEARING OF SOUTH 22°14'22" EAST, SAID POINT BEING ON THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED AS PARCEL 2 IN SAID SPECIAL WARRANTY DEED RECORDED UNDER RECEPTION NO. B2024554;

THENCE DEPARTING SAID WESTERLY AND NORTHERLY BOUNDARIES OF PARCEL 1, AND ALONG SAID NORTHERLY BOUNDARY OF PARCEL 2 AND THE SOUTHERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED UNDER RECEPTION NO. B2024556 OF SAID ARAPAHOE COUNTY RECORDS, EASTERLY ALONG SAID CURVE 487.25 FEET THROUGH A CENTRAL ANGLE OF 29°25'04" TO THE SOUTHEAST CORNER OF SAID PARCEL DESCRIBED UNDER RECEPTION NO. B2024556;

THE WHEATLANDS DISTRICT NO. 2 (CONT)

THENCE DEPARTING SAID SOUTHERLY BOUNDARY AND ALONG THE EASTERLY BOUNDARY OF SAID PARCEL DESCRIBED UNDER RECEPTION NO. B2024556 THE FOLLOWING FOUR (4) COURSES:

1. NORTH 06°50'06" EAST 269.52 FEET;
2. NORTH 07°35'52" WEST 281.68 FEET;
3. NORTH 03°04'38" EAST 286.16 FEET;
4. NORTH 00°00'00" EAST 727.97 FEET TO THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 19;

THENCE DEPARTING SAID EASTERLY BOUNDARY AND ALONG SAID NORTHERLY LINE, NORTH 89°21'30" EAST 446.29 FEET TO THE POINT OF BEGINNING.

CONTAINING 442.095 GROSS ACRES (19,257,648 GROSS SQ. FT.), MORE OR LESS.

EXCEPT THEREFROM THE FOLLOWING TWO (2) PARCELS:

PARCEL 1

THAT PARCEL OF LAND DESCRIBED IN BOOK 2914 AT PAGE 585 IN SAID ARAPAHOE COUNTY RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PARCEL OF LAND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER OF SECTION 29, AND CONSIDERING THE NORTHERLY LINE OF SAID NORTHWEST QUARTER TO BEAR SOUTH 89°53'00" WEST, AND ALL BEARINGS ARE MADE AS A REFERENCE HEREON; THENCE ALONG SAID NORTHERLY LINE, SOUTH 89°53'00" WEST 1137.64 FEET; THENCE DEPARTING SAID NORTHERLY LINE SOUTH 00°07'00" EAST 139.36 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00°26'43" EAST 301.15 FEET; THENCE SOUTH 89°31'20" WEST 300.94 FEET; THENCE NORTH 00°30'29" WEST 301.05 FEET; THENCE NORTH 89°30'13" EAST 301.27 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.081 ACRES (90,662 SQ. FT.), MORE OR LESS.

PARCEL 2- WHEATLANDS DISTRICT NO. 1 & No. 3

A PARCEL OF LAND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 20, AND CONSIDERING THE WESTERLY LINE OF SAID NORTHWEST QUARTER TO BEAR SOUTH 00°09'12" WEST, WITH ALL BEARINGS MADE AS A REFERENCE HEREON; THENCE SOUTH 41°32'46" EAST 2169.13 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 31°32'51" EAST 148.77 FEET; THENCE SOUTH 67°17'20" WEST 127.34 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 574.00 FEET;

THE WHEATLANDS DISTRICT NO. 2 (CONT)

THENCE SOUTHWESTERLY ALONG SAID CURVE 4.15 FEET THROUGH A CENTRAL ANGLE OF 00°24'51" TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 20.00 FEET;
THENCE NORTHWESTERLY ALONG SAID CURVE 28.48 FEET THROUGH A CENTRAL ANGLE OF 81°34'40";
THENCE TANGENT TO SAID CURVE, NORTH 31°32'51" WEST 103.53 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 567.00 FEET;
THENCE NORTHWESTERLY ALONG SAID CURVE 28.24 FEET THROUGH A CENTRAL ANGLE OF 02°51'14";
THENCE NON-TANGENT TO SAID CURVE, NORTH 67°17'20" EAST 149.48 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.501 ACRES (21,816 SQ. FT.), MORE OR LESS.

THIS PARCEL CONTAINS 439.513 NET ACRES (19,145,170 NET SQ. FT.), MORE OR LESS.

EXHIBIT ATTACHED AND MADE A PART HEREOF.



TURPIN GERARD IV
COLORADO REGISTERED PROFESSIONAL LAND SURVEYOR P.L.S. 23042
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.

DENVER ARAPAHOE
DISPOSAL SITE

AURORA
RESERVOIR

NOT A PART OF
THE CITY OF AURORA

WHEATLANDS
SITE

CITY OF AURORA
BOUNDARY



5,000 2,500 0 5,000 10,000

SCALE: 1" = 5,000'

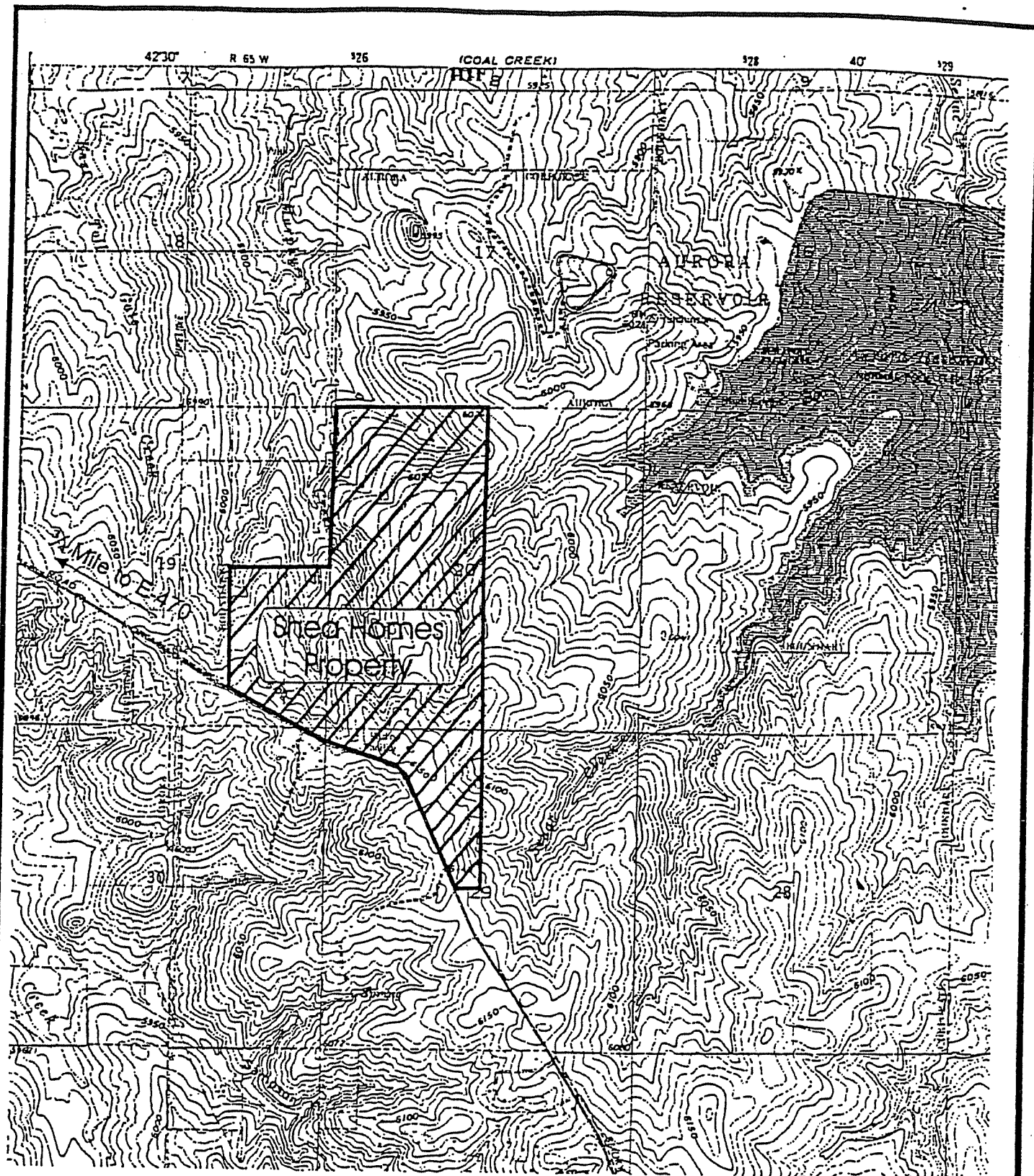
VICINITY MAP
WHEATLAND II
JOB NO. 4312.00
APRIL 4, 2001
SHEET 1 OF 1



J-R ENGINEERING

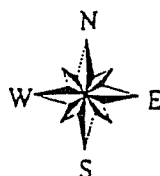
A Subsidiary of Westcon

6020 Greenwood Plaza Blvd • Englewood, CO 80111
303-740-9393 • Fax 303-721-9019 • www.jrenonema.com



GENERAL PROJECT LOCATION MAP

From: Piney Creek Quadrangle, USGS 7.5' 1994
 Located in portion of sec. 19, 20, 29 and 30, T. 5 S., R. 65 W.



1 inch = 2000 ft

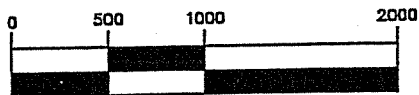
JR Engineering, Ltd.
 6020 Greenwood Plaza Blvd.
 Englewood, Colorado 80111
 Tel. (303) 740-9393
 FAX (303) 721-9019

Fig. 1

EXHIBIT C-1

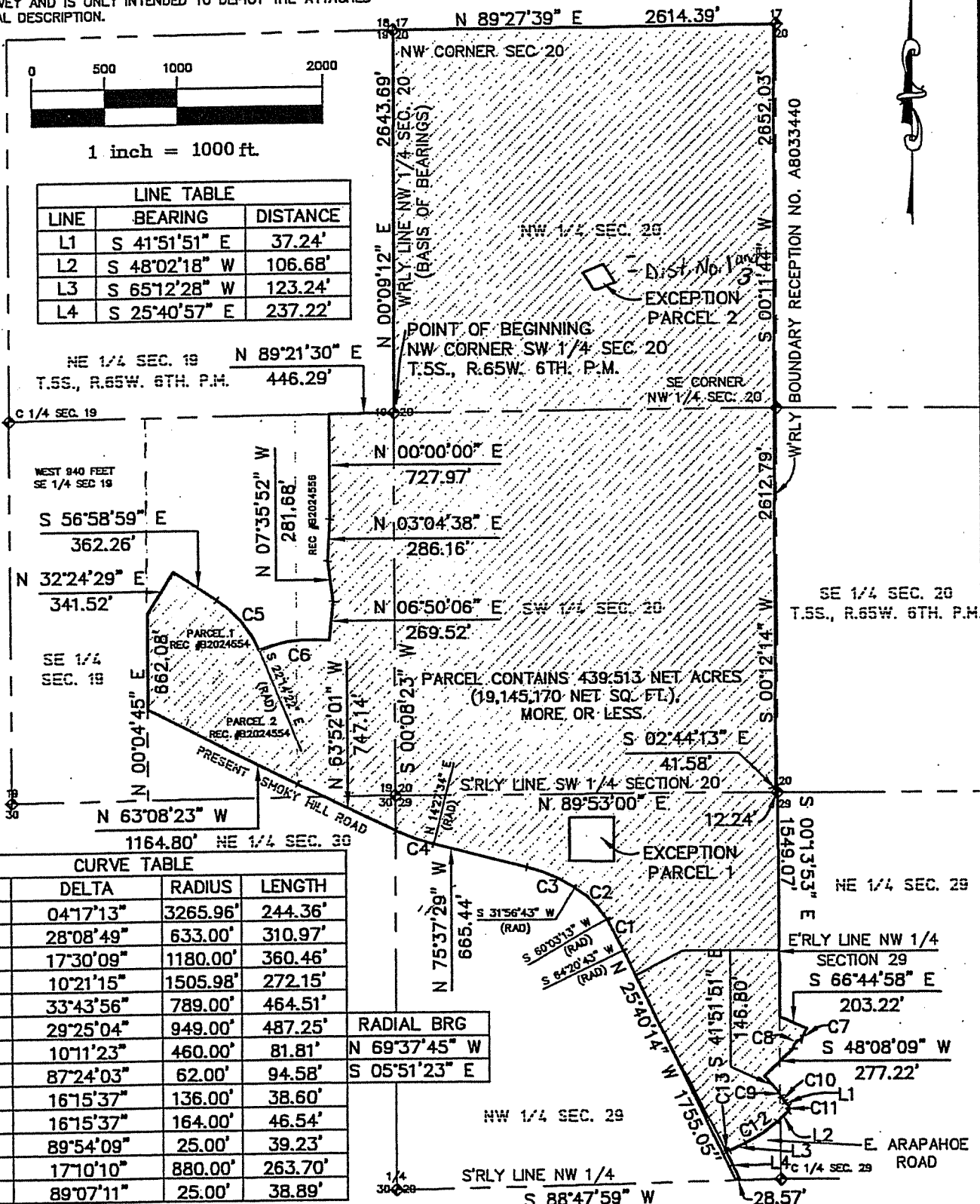
Initial Districts Boundary Maps

NOTE: THIS DRAWING DOES NOT REPRESENT A FIELD MONUMENTED SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.



1 inch = 1000 ft.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S 41°51'51" E	37.24'
L2	S 48°02'18" W	106.68'
L3	S 65°12'28" W	123.24'
L4	S 25°40'57" E	237.22'



CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	04°17'13"	3265.96'	244.36'
C2	28°08'49"	633.00'	310.97'
C3	17°30'09"	1180.00'	360.46'
C4	10°21'15"	1505.98'	272.15'
C5	33°43'56"	789.00'	464.51'
C6	29°25'04"	949.00'	487.25'
C7	10°11'23"	460.00'	81.81'
C8	87°24'03"	62.00'	94.58'
C9	16°15'37"	136.00'	38.60'
C10	16°15'37"	164.00'	46.54'
C11	89°54'09"	25.00'	39.23'
C12	17°10'10"	880.00'	263.70'
C13	89°07'11"	25.00'	38.89'

RADIAL BRG	
N 69°37'45" W	
S 05°51'23" E	

PATH: P:\10702-42\LEGALS
 DWG NAME: NEW_DISTRT_2.DWG
 DWG: TSG CHK: JWD
 DATE: 01-28-2004
 SCALE: 1" = 1000'



Aztec CONSULTANTS, inc.

8000 South Lincoln Street, Unit 5
 Littleton, Colorado 80122
 Phone: (303) 713-1898 Fax: (303) 713-1897

THE WHEATLANDS DISTRICT NO. 2

SECS. 19, 20, 29 & 30, T.5S., R.65W. 6TH. P.M.

CITY OF AURORA, COLORADO

JOB NUMBER 10702-42-EX

5 OF 5 SHEETS

EXHIBIT C-2

Inclusion Area Boundary Map

[Not Applicable – No Map]

EXHIBIT D

Intergovernmental Agreement between the Districts and Aurora

AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF AURORA, COLORADO,
WHEATLANDS METROPOLITAN DISTRICT NO. 1
WHEATLANDS METROPOLITAN DISTRICT NO. 2
AND WHEATLANDS METROPOLITAN DISTRICT NO. 3

THIS AGREEMENT is made and entered into as of this ____ day of _____, _____, by and between the CITY OF AURORA, a home-rule municipal corporation of the State of Colorado ("City"), and WHEATLANDS METROPOLITAN DISTRICT NO. 1, WHEATLANDS METROPOLITAN DISTRICT NO. 2, and WHEATLANDS METROPOLITAN DISTRICT NO. 3, quasi-municipal corporations and political subdivisions of the State of Colorado (the "Districts"). The City and the Districts are collectively referred to as the Parties.

RECITALS

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts' Service Plan approved by the City on _____ ("Service Plan"); and

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

WHEREAS, the City and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement ("Agreement").

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

COVENANTS AND AGREEMENTS

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

The District shall be authorized, but not obligated to, operate and maintain park and recreation improvements without an intergovernmental agreement with the City, provided that any fee imposed by the District for access to such park and recreation improvements shall not result in Non-District City residents paying a user fee that is greater than, or otherwise disproportionate to, similar fees and taxes paid by residents of the District. However, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with Non-District City residents to ensure that such costs are not the responsibility of District residents. All such fees shall be based upon the District's determination that such fees do not exceed reasonable annual market fee for users of such facilities. Notwithstanding the foregoing, all parks and trails shall be open to the general public and Non-District City residents free of charge.

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

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

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

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

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

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

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate

by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

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

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

9. Total Debt Issuance. The Districts shall not issue Debt in excess of \$55,000,000.

10. Debt Issuance Limitation. The Districts shall not be authorized to incur any indebtedness until such time as the Districts have approved and executed the IGA and approved the imposition of the Aurora Regional Improvement Mill Levy (as defined in the Service Plan) upon all taxable property located within the boundaries of the Districts.

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

12. Consolidation. District No. 1 shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City, unless such consolidation is with District Nos. 2 and 3.

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

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

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

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

14. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

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

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

17. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts. Such intergovernmental agreement will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan. Implementation of such intergovernmental agreement is essential to the orderly implementation of the Service Plan. Accordingly, any determination of any Board to set aside said intergovernmental agreement without the consent of all of the Districts shall be a material modification of the Service Plan. Said intergovernmental agreement may be amended by mutual agreement of the Districts without the need to amend the Service Plan.

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

19. Regional Improvements. The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Regional Improvements and fund the administration and overhead costs related to the

provisions of the Regional Improvements incurred as a result of participation in the alternatives set forth in Section VI.A, B or C of the Service Plan.

The Taxing Districts shall impose the ARI Mill Levy and shall convey it as follows:

(a) If the Districts have 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 the 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; or

(b) If the City and the Districts have executed an intergovernmental agreement then the revenue from the ARI Mill Levy shall be conveyed to the City for use in planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users and taxpayers of the Districts in accordance with such agreement; or

(c) If neither Section VI.A nor VI.B of the Service Plan is applicable then the revenue shall be conveyed to the City and (i) the City shall place in a special account all revenues received from the ARI Mill Levy imposed in the Service Area under Section VI of the Service Plan and shall not expend such revenue until an intergovernmental agreement is executed between the Districts establishing the terms and conditions for the provision of the Regional Improvements; and (ii) if the intergovernmental agreement is not executed within two (2) years from the date of the approval of the Service Plan by the City and neither Section VI.A nor VI.B above have occurred within two (2) years from the date of the approval of the Service Plan by the City, then the revenue from the ARI Mill Levy shall be conveyed to the City for use by the City in the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements which benefit the service users or taxpayers of the Districts as prioritized and determined by the City.

As set forth in the definition of the ARI Mill Levy, any District may, pursuant to any intergovernmental agreement with the City, extend the terms for application of the ARI Mill Levy beyond the years set forth in Sections VI.A and VI.B of the Service Plan. The Maximum Mill Levy Imposition Term shall include the terms and any extension of such terms, as set forth in Sections A, B and C of the definition of the ARI Mill Levy.

The Regional Improvements shall be limited to the provision of the planning, design, acquisition, construction, installation, relocation and/or redevelopment of street and transportation related improvements as defined in the Special District Act and the administration and overhead costs incurred as a result of participation in the alternative set forth in Sections VI.A, B, or C of the Service Plan, unless the City has agreed otherwise in writing; provided, however, in no event shall the Regional Improvements include water or sanitary sewer improvements unless such improvements are necessary as a part of completing street and

transportation related improvements. The Districts shall cease to be obligated to impose, collect and convey to the appropriate entity, as described above, the revenue from the ARI Mill Levy described in Section VI of the Service Plan at such time as the area within the Districts' boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, et seq., C.R.S., or Business Improvement District organized under Section 31-25-1201, et seq., C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

20. Maximum Debt Mill Levy. The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

(a) For the portion of any aggregate District's Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be fifty (50) mills less the number of mills necessary to pay unlimited mill levy Debt described in Section VII.C.2 of the Service Plan; provided that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

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

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

21. Maximum Debt Mill Levy Imposition Term. The District shall have the authority to impose the ARI Mill Levy for the terms as set forth in Section VI of the Service Plan. Other than the ARI Mill Levy, the District shall not impose a levy for repayment of any

and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board of Directors of the District are residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, C.R.S.; et seq.

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

To the Districts: Wheatlands Metropolitan District Nos.1 - 3
 c/o White, Bear & Ankele Professional
 Corporation
 Attn: Gary R. White, Esq.
 Phone: (303) 858-1800
 Fax: (303) 858-1801

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

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

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

24. Assignment. No Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of all other Parties, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

25. 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 prevailing Party/Parties in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

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

27. 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.

28. 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.

29. 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 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 and the City shall be for the sole and exclusive benefit of the Districts and the City.

30. 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.

31. 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.

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

33. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Service Plan.

WHEATLANDS METROPOLITAN
DISTRICT NO. 1

By: _____
President

Attest:

Secretary

WHEATLANDS METROPOLITAN
DISTRICT NO. 2

By: _____
President

Attest:

Secretary

WHEATLANDS METROPOLITAN
DISTRICT NO. 3

By: _____
President

Attest:

Secretary

CITY OF AURORA, COLORADO

By: _____
Edward J. Tauer, Mayor

Attest:

By: _____

Its: _____

APPROVED AS TO FORM: _____