

**MISSION VIEJO HOMEOWNERS' ASSOCIATION v. CITY OF AURORA**  
**Arapahoe County District Court Case No. 09CV2741**  
**JAMS Case No. 12305**

**MEMORANDUM OF UNDERSTANDING – SETTLEMENT AGREEMENT**

1. This Agreement is contingent upon full and final approval by the Aurora City Council.
2. The parties agree that the City will refer a measure for the creation of a General Improvement District ("GID") that would be directed toward maintaining the Mission Viejo Library, including, but not limited to hours of operation, staffing, collection development and technology. The mill levy increase sought by the referred measure will relate solely to operation of the Mission Viejo Library.
3. The parties agree that the Mission Viejo Library will remain open through the certification of the popular vote on the GID submitted pursuant to §2.
4. The Mission Viejo Homeowners' Association will be authorized to negotiate with the City as to the boundaries of the GID and will have input into the language of the ballot proposal and the terms of the GID. The Homeowners' Association acknowledges that the City must obtain the office of the City Attorney's input and final approval of the language of the referred measure to satisfy state constitutional and statutory requirements as well as the requirements of the City Charter.
5. All GIDs are governed by City Council. The parties agree that representative of any Homeowners' Association which is included within the boundaries of the GID will be entitled to serve on an advisory committee for the purposes of implementing the GID.
6. If Council proposes to close the Mission Viejo Library, Council will advise the HOA of its decision not less than 90 days before the proposed closing date.
7. The pending litigation will be administratively closed with each party retaining the right to reopen the case upon motion to the Court. If the Court denies said motion, the parties agree to file a joint stipulation to dismiss the pending case will without prejudice. The parties agree that the defenses of waiver and laches are waived.
8. Paragraph 12 of the Annexation Agreement of May 25, 1971 will be amended to provide for an exception for the mill levy assessment pursuant to the GID (*supra*). This provision is subject to Shea Homes' agreement or assignment of its respective rights in the 1971 Annexation Agreement.

9. The City agrees to pay the HOA the sum of \$6,000 for attorney fees and costs in this matter. Neither party admits liability. The parties mutually agree to non-disparagement and will issue only a joint press release.

10. This is full, final and fully enforceable agreement (subject to Council approval, *supra*).

Dated: January 26, 2011



for Mission Viejo HOA



Counsel for Mission Viejo HOA



for the City of Aurora



Counsel for the City of Aurora