

**THE AURORA HIGHLANDS COMMUNITY
AUTHORITY BOARD**

8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone: 303-779-5710

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Matt Hopper (AACMD Rep.)	President	2022/May 2022
Carla Ferreira (AACMD Rep.)	Vice President	2022/May 2022
Michael Sheldon (TAH MD Nos. 1 – 3 Rep.)	Treasurer/Asst. Secretary	2023/May 2023
VACANT	Assistant Secretary	2023/May 2023
Cynthia (Cindy) Shearon (AACMD Rep.)	Assistant Secretary	2023/May 2023
Kathleen Sheldon (ATEC 1 Rep.)	Assistant Secretary	2023/May 2023
Deanna Hopper (ATEC 2 Rep.)	Assistant Secretary	2023/May 2022
Denise Denslow	Secretary	N/A

DATE: October 26, 2020
TIME: 3:00 P.M.
PLACE: Information Center
3900 E. 470 Beltway
Aurora, CO 80019

THERE WILL BE ONE PERSON PRESENT AT THE ABOVE-REFERENCED PHYSICAL LOCATION.

DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY VIDEO ENABLED WEB CONFERENCE. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE JOIN THE VIDEO ENABLED WEB CONFERENCE VIA ZOOM AT:

<https://zoom.us/j/98748724823?pwd=SFVUSlJha2pCb0J4dzd0b1ArcjVZUT09>

Meeting ID: 987 4872 4823
Passcode: 016688
Or Dial In:
1-301-715-8592

I. ADMINISTRATIVE MATTERS

- A. Present disclosures of potential conflicts of interest.
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- B. Confirm Quorum, location of meeting and posting of meeting notices. Approve Agenda.
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- C. Public Comment. Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.
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II. CONSENT AGENDA

Consent Agenda – These items are considered to be routine and will be ratified by one motion. There will be no separate discussion of these items unless a board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- A. Review and consider approval of Minutes from the August 24, 2020 Special Meeting and the September 28, 2020 Special Meeting (enclosures).
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- B. Ratify approval of Service Agreement by and between Waste Management of Colorado, Inc. and the CAB (enclosure).
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III. LEGAL MATTERS

- A. Discuss and consider adoption of Resolution of The Aurora Highlands Community Authority Board (the “CAB”) Regarding the Imposition of an Operation and Maintenance Fee (to be distributed).
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- B. Discuss and authorize establishment of a committee for engagement of consultants related to covenant enforcement services.
1. Discuss and consider approval of Master Service Agreement (“MSA”) for Project Specific Services by and between the CAB and Timberline District Consulting, LLC.
 - a. Discuss and authorize committee to negotiate final terms and execute MSA.

 2. Discuss and consider approval of Task Order No. 01 to MSA for Project Specific Services by and between the CAB and Timberline District Consulting, LLC for Management of the CAB’s Rules and Regulations relating to residents and covenant enforcement.
 - a. Discuss and authorize committee to negotiate final terms and execute Task Order No. 01.

 3. Discuss and consider engagement of Special Counsel for Covenant Enforcement Services.
 - a. Discuss and authorize committee to select consultant, negotiate final terms of agreement and execute contract for services.

 4. Discuss modification to Scope of Services provided by CliftonLarsonAllen LLP.
 - a. Discuss and authorize committee to revise scope of services and negotiate final terms of amendment to agreement.

IV. FINANCIAL MATTERS

- A. Discuss and consider approval of First Amendment to Series 2020 Bondholder's Agreement by and among the CAB, Oxnard Financial, LLC and Aurora Highlands, LLC relating to the CAB Special Tax Revenue Draw-Down Bonds, Series 2020A (to be distributed).
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- B. Discuss and approve processing October 2020 Series 2020A Draw.

1. Discuss and consider approval of acceptance of CAB and Aerotropolis Area Coordinating Metropolitan District Engineer's Report and Verification of Costs Associated with Public Improvements (Draw No. 28), prepared by Schedio Group LLC (to be distributed).
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2. Discuss and consider adoption of Resolution of the Board of Directors of the CAB Authorizing a Draw on October 29, 2020 of the CAB Special Tax Revenue Draw-Down Bonds, Series 2020A (to be distributed).
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- C. Receive report on status of Operations and Maintenance Budget and Operating Reserve.
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D. FIRST READING

1. Discuss possible Amendment to 2020 Budget.
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2. Discuss draft 2021 Budget (enclosure).
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3. Consider approval, at this First Reading, of placement of consideration of approval of the proposed Amendment to the 2020 Budget and the 2021 Budget, at a Second Reading during the Public Hearing to be held on these Budgets on November 23, 2020 at 3:00 p.m. at the Information Center, 3900 E. 470 Beltway, Aurora, CO 80019 and via Zoom.
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V. CONSTRUCTION MATTERS

VI. OTHER BUSINESS

VII. ADJOURNMENT

THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 23, 2020.

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD (“CAB”)
HELD
AUGUST 24, 2020**

A special meeting of the Board of Directors of the CAB, County of Adams (referred to hereafter as the “Board”) was convened on Monday, August 24, 2020, at 1:00 p.m. at the Information Center, 3900 E. 470 Beltway, Aurora, Colorado 80019. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the CAB Board meeting was held and properly noticed to be held via video enabled web conference, with Directors Hopper and Shearon attending in person at the physical meeting location. The meeting was open to the public via videoconference.

Directors In Attendance Were:

Matt Hopper (AACMD Rep.)
Michael Sheldon (TAH MD 1 – 3 Rep.)
Cynthia (“Cindy”) Shearon (AACMD Rep.)

Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote unanimously carried, the absences of Directors Carla Ferreira, Deanna Hopper and Kathleen Sheldon were excused.

Also In Attendance Was:

MaryAnn McGeady, Esq., Elisabeth Cortese, Esq. and Jon Hoistad, Esq.; McGeady Becher P.C.
Debra Sedgeley, Denise Denslow, Nic Carlson, Anna Jones and Zachary Leavitt; CliftonLarsonAllen LLP (“CLA”)
Kamille Curylo and Tanya Burton; Kutak Rock LLP

**ADMINISTRATIVE
MATTERS**

Disclosure of Potential Conflicts of Interest: Attorney McGeady discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted that the disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors as required by Statute. No new conflicts were disclosed.

Agenda: The Board considered the proposed Agenda for the CAB's special meeting.

Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote unanimously carried, the Agenda was approved, as presented.

Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the CAB's Board meeting. Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19, and the benefits to the control of the spread of the virus by limiting in-person contact, the Board meeting was held via videoconference, with Directors Shearon and Hopper attending in person at the above-stated location, and the remaining Board members and consultants attending via videoconference. The Board further noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by any interested person have been received.

CONSENT AGENDA The Board considered the following actions:

- Review and consider approval of Minutes from the July 16, 2020 Special Meeting, the July 21, 2020 Special Meeting and the July 29, 2020 Special Meeting.
- Ratify approval of Plans and Specifications Budget.

LEGAL MATTERS **Resolution of the CAB Acknowledging and Adopting a First Amendment to the Master Declaration of Covenants, Conditions and Restrictions for the Aurora Highlands:** Attorney McGeady reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried by roll call, the Board adopted the Resolution of the CAB Acknowledging and Adopting a First Amendment to the Master Declaration of Covenants, Conditions and Restrictions for the Aurora Highlands.

Resolution Adopting the Aurora Highlands Homeowner Handbook: Rules and Regulations: Attorney McGeady reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried by roll call, the Board adopted the Resolution Adopting the Aurora Highlands Homeowner Handbook: Rules and Regulations.

Resolution Regarding Rules and Regulations Regarding Dedication and Acceptance of Public Improvements: Attorney McGeady reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried by roll call, the Board adopted the Resolution Regarding Rules and Regulations Regarding Dedication and Acceptance of Public Improvements.

FINANCIAL MATTERS

August 2020 Series 2020A Draw

CAB and Aerotropolis Area Coordinating Metropolitan District (“AACMD”) Engineer’s Report and Verification of Costs Associated with Public Improvements (Draw No. 26), prepared by Schedio Group LLC (“Engineer’s Report”): Attorney McGeady reviewed the Engineer’s Report with the Board, noting that it indicates costs have been reviewed and verified by Schedio Group LLC, District staff, the Lender and the Lender’s accountant. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried by roll call, the Board accepted the Engineer’s Report.

Resolution of the Board of Directors of the CAB Authorizing a Draw on August 25, 2020 of the CAB Special Tax Revenue Draw-Down Bonds, Series 2020A: Attorney McGeady reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried by roll call, the Board adopted the Resolution of the Board of Directors of the CAB Authorizing a Draw on August 25, 2020 of the CAB Special Tax Revenue Draw-Down Bonds, Series 2020A.

Schedule for Processing Future Draws and Board Meetings: Attorney McGeady presented to the Board two documents concerning the processing of future draws on the Bonds. The first was a Memorandum Concerning the Conditions of Lender Preparation of Job and Cost Codes dated August 23, 2020 (“Memorandum”). The Memorandum describes costs to be included and excluded from Job and Cost Codes. The second was an excel spreadsheet detailing the steps of Job and Cost Coding and approval, the timing for each step, and the dates by which each step must be completed for timely draw processing. The Board approved both of these documents and the processes generally set forth therein, subject to continued revision over time, and directed staff to process Draw No. 27 according to the terms of the Memorandum until a permanent letter agreement can be prepared and agreed to by and among the District, the CAB, and the Lender.

Operation and Maintenance Budget and Operation Reserve: Ms. Sedgeley updated the Board on the status of the Operations and Maintenance Budget, noting that the District Management team continues to work on this matter. It was further noted that the schedule of amenities needs to be incorporated and information is forthcoming in order to do so.

CONSTRUCTION MATTERS

None.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS
COMMUNITY AUTHORITY BOARD (“CAB”)
HELD
SEPTEMBER 28, 2020**

A special meeting of the Board of Directors of the CAB, County of Adams (referred to hereafter as the “Board”) was convened on Monday, September 28, 2020, at 3:00 p.m. at the Information Center, 3900 E. 470 Beltway, Aurora, CO 80019. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the CAB Board meeting was held and properly noticed to be held via video enabled web conference, with Director Shearon attending in person at the physical meeting location. The meeting was open to the public via videoconference.

Directors In Attendance Were:

Matt Hopper (AACMD Rep.)
Michael Sheldon (TAH MD 1 – 3 Rep.)
Cynthia (“Cindy”) Shearon (AACMD Rep.)
Deanna Hopper (ATEC 2 Rep.) (for a portion of the meeting)

Also In Attendance Was:

MaryAnn McGeady, Esq., Elisabeth Cortese, Esq. and Jon Hoistad, Esq.; McGeady Becher P.C.
Tony Felitsky, Tony Devito and Corey Jablonski; AECOM
Debra Sedgely, Denise Denslow, Anna Jones, Nic Carlson and Brittany Superchi; CliftonLarsonAllen LLP (“CLA”)
Kamille Curylo, Esq. and Tanya Barton, Esq.; Kutak Rock LLP
Jerry Jacobs and Brittany Barnett; Timberline District Consulting, LLC
Rita Connerly, Esq.; Fairfield and Woods P.C.

**ADMINISTRATIVE
MATTERS**

Disclosure of Potential Conflicts of Interest: Attorney McGeady discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted that the disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors as required by Statute. No new conflicts were disclosed.

Quorum/Confirmation of Meeting Location/Posting of Notice: Director M. Hopper confirmed the presence of a quorum.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the CAB's Board meeting. Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote, unanimously carried, the Board determined to conduct this meeting at the above-stated location, with Director Shearon attending in person. Due to concerns regarding the spread of COVID-19, and the benefits to the control of the virus by limiting in-person contact, the remaining Board members and consultants attended via videoconference. The Board further noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by any interested person have been received.

Agenda: The Board considered the proposed Agenda for the CAB's special meeting. Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and, upon vote unanimously carried, the Board approved the Agenda, as presented and excused the absence of Directors Ferreira and K. Sheldon.

Public Comment: Director M. Hopper noted that this meeting is open to the public. The public is welcome to speak, but those who choose to must identify themselves for the record. Attendees who don't wish to speak, but would like to be identified in the Minutes are encouraged to introduce themselves. The public is not required to identify themselves if not speaking

CONSENT AGENDA The Board considered the following actions:

- None.

LEGAL MATTERS None.

FINANCIAL MATTERS

Amended and Restated Series 2020A Bondholder's Agreement by and among The Aurora Highlands Community Authority Board ("CAB"), Oxnard Financial, LLC and Aurora Highlands, LLC: This item was deferred.

Amended and Restated Series 2020B Bondholder's Agreement by and among the CAB and Aurora Highlands, LLC: This item was deferred.

September 2020 Series 2020A Draw:

CAB and Aerotropolis Area Coordinating Metropolitan District ("AACMD") Engineer's Report and Verification of Costs Associated with Public Improvements (Draw No. 27), prepared by Schedio Group LLC ("Engineer's

Report”): Director M. Hopper reviewed the Engineer’s Report with the Board, noting that it indicates costs have been reviewed and verified by Schedio Group LLC, District staff, the Lender and the Lender’s accountant. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director D. Hopper and, upon vote, unanimously carried by roll call, the Board accepted the Engineer’s Report.

Resolution of the Board of Directors of the CAB Authorizing a Draw on September 28, 2020 of the CAB Special Tax Revenue Draw-Down Bonds, Series 2020A: Attorney McGeady reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director D. Hopper and, upon vote, unanimously carried by roll call, the Board adopted the Resolution of the Board of Directors of the CAB Authorizing a Draw on September 28, 2020 of the CAB Special Tax Revenue Draw-Down Bonds, Series 2020A.

Master Service Agreement (“MSA”) for Supplemental District Management Services by and between the CAB and Timberline District Consulting, LLC: The Board deferred this item.

Task Order No. 01 to MSA for Supplemental District Management Services by and between the CAB and Timberline District Consulting, LLC for Attendance at Twelve Monthly Meetings: The Board deferred this item.

Task Order No. 02 to MSA for Supplemental District Management Services by and between the CAB and Timberline District Consulting, LLC for Management of the CAB’s Rules and Regulations relating to residents and covenant enforcement: The Board deferred this item.

Task Order No. 03 to MSA for Supplemental District Management Services by and between the CAB and Timberline District Consulting, LLC for Management of Community Events and Neighborhood Specific Events and Gatherings: The Board deferred this item.

Task Order No. 04 to MSA for Supplemental District Management Services by and between the CAB and Timberline District Consulting, LLC for Provide Support to CLA and the CAB on Financial Projections, Budgeting and Planning: The Board deferred this item.

Status of Operations and Maintenance Budget and Operating Reserve: The Board deferred discussion of the Operations and Maintenance Budget and Operating Reserve.
Timing for Establishment of Monthly Maintenance Fee: The Board deferred discussion of this matter.

CONSTRUCTION None.

MATTERS _____**OTHER BUSINESS** **Schedule for October Special Meeting:** The Board deferred discussion of this matter.
_____**ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director M. Sheldon, seconded by Director Shearon and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting



Community Authority Board Agreement
 Waste Management of Colorado, Inc.
 5500 Quebec St. Ste. 250
 Greenwood, Village, CO 80111
 (303)-797-1600

WM Agreement #: TBD
Customer ID: TBD
Acct Name: Aurora Highlands Community Authority Board
Account Manager: Mike Maher
Effective Date: 09/25/2020
Type of Billing: Group

Service Information

CAB Name: Aurora Highlands Community Authority Board
Address: Various Addresses
City/State/Zip: 24193 E 39th Ave, Aurora CO 80019
Service Contact Name: Denise Denslow
Phone: (303) 779-5710
Email: Denise.Denslow@claconnect.com

Billing Information

CAB Name: Aurora Highlands Community Authority Board
C/O: CliftonLarsonAllen LLP
Address: 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
Billing Contact Name: Denise Denslow
Phone: (303) 779-5710
Email: Denise.Denslow@claconnect.com

Service Description & Recurring Rates

Number of Homes Qty for Billing	Equipment	Material Stream	Frequency	Per Home All-In Rate	\$ \$13.25 + RMO
12,500 homes	96-Gallon Carts Or 64-Gallon Carts	Trash	Weekly	*Fuel & Environmental/RCR Included in All-In Rate, will be detailed on invoice.	\$ Included*
		Recycle	Every-other-week.	*Recycle Material Offset (RMO) Applies; per home, per month *Admin Charge Applies Waived when enrolled in both Paperless & Autopay.	\$ Variable*

Additional Carts; per cart, per month: \$5.00 billed to resident.

Special Instructions:

- 1 home to start, 12,500 homes at CAB Build Completion. Rate will be \$13.25 per home, per month + RMO, for Weekly Curbside Trash and Every-Other Week Curbside Recycle Service. CAB will be billed for 1 home to start, and billing will increase as homes are added.
- Residents may select (1) 64-gallon trash cart or (1) 96-gallon trash cart and (1) 64-gallon recycle cart or (1) 96-gallon recycle cart as they start service. Residents may switch cart sizes at any time, however after initial delivery, a swap charge will apply.
- Recycle Material Offset charge is a variable charge for recycle based on commodity values and recycle market. Current cost is \$1.45 however will fluctuate and could appear as a charge or credit.
- Bulk items, such as furniture, will be charged to residents, and must be scheduled and prepaid in advance by calling 303-797-1600.

Initial One Time Service Charges*

Initial Delivery	\$	0.00
Delivery after Initial	\$	0.00

As Needed Services*

The above listed Charges are for recurring services only. Charges for all additional services will be at current rates at the time of service. These include but are not limited to: extra pickups, container removal, overages and contamination. Contact Waste Management for a full list of such additional services and current prices.

* Fuel Surcharge, Environmental Charge, and Regulatory Cost Recovery ("RCR") Charge apply to all other Charges whether or not listed on this summary; any amounts shown above are estimated, and actual amounts will be calculated at the time of invoicing based on a percentage of the Charges. Information about these charges can be found at www.wm.com/billhelp. State & Local taxes, and/or fees and a Recycle Material Offset, if applicable, will also be added to the Charges. An Administrative Charge per invoice will be assessed and can be removed by enrolling in paperless statements and automated payments. If Charges are Group Billed, the Charges total will adjust based on the number of Customer residences. The CAB must timely notify Company of any increase or decrease in number of residences in the CAB Area. The CAB is not entitled to be reimbursed for any overpayment due to the CAB's failure to notify Company of a decrease in the number of residences.

This Agreement does not provide for a fixed price during the Contract Term. Unless specifically provided otherwise herein, CAB should expect Company to increase Charges as allowed by Section 6(b) and Company to seek other price increases subject to CAB's consent under Section 6(c) of this Agreement. Consent to price increases may be given orally, in writing, or by notice and CAB's payment of, or failure to object to, the price increase.

Contract Term for monthly rate services is for eighty-four (84) Months (s) from the Effective Date ('Initial Term') and it shall automatically renew thereafter for additional terms of twelve (12) months ('Renewal Term') unless terminated as set forth herein.

This CAB Service Agreement (this "Agreement") is made as of the Effective Date shown above by and between Waste Management of Colorado, Inc. ("Company") and the CAB named above, on behalf of Customers. The undersigned individual signing this Agreement on behalf of the CAB and all of the Customers acknowledges that he/she has read and understands the following terms of this Agreement and that he/she has the authority to sign on behalf of the CAB and all of the Customers.

45E4943B33D44F2...

Customer Signature

Company: Waste Management of Colorado, Inc.

Matt Hopper

Printed Name

Mike Maher

Printed Name

President

Title

Waste Management Territory Manager

Title

10/2/2020

Date

Date

9/29/2020

MM

WM TERMS AND CONDITIONS APPLICABLE TO PERMANENT SERVICE

1. (a) **SERVICE GUARANTEE.** We guarantee our Services (as defined below). If Company fails to perform Services in accordance with the agreed upon service summary set forth on page 1 of this Agreement (the "Service Summary"), and Company does not remedy such failure within five (5) business days of its receipt of a written demand from CAB, CAB may immediately terminate this Agreement without penalty.

(b) **SERVICES RENDERED; WASTE MATERIALS.** CAB grants to Company the exclusive right, and Company through itself and its Affiliates shall furnish equipment and services, to collect and dispose of and/or recycle (collectively, the "Services") all Waste Materials generated, deposited, accumulated, or otherwise coming to exist in (1) the geographical area encompassing all of the residences which are subject to any rules of the CAB as of the Effective Date of this Agreement, and (2) any additional geographical area(s) encompassing any additional residences that become subject to any of the rules of the CAB, but only if (a) such additional area is in close proximity to the geographical area described in (1) above and (b) Company is able to provide collection services in such additional area (collectively, the "CAB Area"). All residential premises within the CAB Area (collectively, "Customers," or individually, "Customer") shall be required by the CAB to utilize the collection services of Company, as described in this Agreement. The CAB represents and warrants that the materials to be collected under this Agreement shall be only "Waste Materials" as defined herein. For purposes of this Agreement, "Waste Materials" means all non-hazardous solid waste generated in the CAB Area, which includes Recyclable Materials (as defined in Section 12) if so indicated on the page 1 Service Summary. Waste Materials excludes, and CAB and Customers shall not to deposit or permit the deposit for collection of (i) any waste tires, (ii) radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, (iii) any materials containing information protected by federal, state or local privacy and security laws or regulations, (iv) any other items or material prohibited by federal, state or local laws or regulations, or that could adversely affect the operation or useful life of the facility(ies) receiving CAB's Waste Materials, or (v) Special Waste not approved in writing by Company (collectively, "Excluded Materials"). Title to and liability for Excluded Materials shall remain with the generator/Customer at all times. Title to CAB's Waste Materials is transferred to Company upon Company's receipt or collection unless otherwise provided in this Agreement or applicable law.

2. **REPRESENTATIONS BY THE CAB.** The CAB and the person signing this Agreement represent and warrant to Company that (1) the CAB has the authority under the applicable CC&Rs to enter into this Agreement on behalf of all of the Customers and to obligate all of the Customers to be subject to and to comply with the terms of this Agreement and (2) this Agreement has been approved by the CAB's board of directors.

3. **TRANSFER OF CONTROL.** If this Agreement is entered into before control of the CAB is transferred from the developer to the residents, this Agreement shall be binding on the CAB after the transfer of such control.

4. **CONTRACT TERM.** The Initial Term and any subsequent Renewal Term of this Agreement (collectively, the "Contract Term") is set forth on the Service Summary. Unless otherwise specified on the Service Summary, at the end of the Initial Term and any subsequent Renewal Term, the Contract Term shall automatically renew for an additional Renewal Term at the then current Service levels and applicable Charges, unless (a) for a Renewal Term of sixty (60) months or more, either party gives to the other party written notice of termination at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the termination of the then-existing term, and (b) for a Renewal Term of less than twelve (12) months, either party gives to the other party written notice of termination at least thirty (30) days prior to the termination of the then-existing term. Notice of termination received at any other time will be considered ineffective and the Agreement will be considered automatically renewed upon completion of the then-existing term.

5. **TERMINATION RIGHTS.** Notwithstanding the foregoing, this Agreement can be terminated prior to the end of the Initial Term or a Renewal Term as follows:

(a) by CAB (with no obligation to pay liquidated damages as provided in Section 9), (i) if Company fails to satisfy the Service Guarantee provided in Section 1(a) or (ii) pursuant to Section 6(c) if Company increases the Charges payable by CAB hereunder with a Consensual Price Increase;

(b) by CAB with thirty (30) days prior written notice to Company, subject to CAB's obligation to pay liquidated damages as provided in Section 9 no later than thirty (30) days after written notice of termination;

(c) by Company, (i) if as a result of CAB's breach of Section 7, Company suspends Services for more than fifteen (15) days, or (ii) if CAB fails to cure any other breach of its obligations under this Agreement within five (5) business days of its receipt of written demand from Company to cure such breach; and

(d) by Company, with at least fifteen (15) days prior written notice to the CAB, any time after CAB retains, designates or appoints a broker or agent to act for CAB, or manages its Services, under this Agreement.

In order to move containers in a safe, secure and orderly fashion, Company shall have up to seven (7) days to remove any equipment from CAB's service location(s) after the effective date of the termination of this Agreement.

6. (a) **CHARGES; ADDITIONAL SERVICES; CHANGES.** The initial charges, fees and other amounts payable by CAB ("Charges") for Services and/or equipment furnished by Company to CAB are set forth on the Service Summary. Company also reserves the right to charge CAB additional Charges for additional Services provided by Company to CAB, whether requested or incurred by CAB, including, but not limited to, container relocation or removal; gate, enclosure or roll out services; account resume or reactivation services; extra pickups or trip charges; container overages and overflows; and equipment repair and maintenance (see www.wm.com/billhelp for a list of "Additional Services", which may be updated from time to time), all at such standard prices or rates that Company is charging its CABs in the service area at such time. Changes in the frequency of collection, collection schedule, number, capacity and/or type of equipment, the terms and conditions of this Agreement, and any changes to the Charges payable under this Agreement (including any Consensual Price Increase or Negotiated Price Adjustment), may be agreed to orally, in writing or by other actions and practices of the parties, including, without limitation, electronic or online acceptance or payment of the invoice reflecting such changes, and written notice to CAB of any such changes and CAB's failure to object to such changes, which shall be deemed to be CAB's affirmative consent to such changes.

(b) **PERMITTED PRICE INCREASES.** Company reserves the right, and CAB acknowledges that it should expect Company to increase or add Charges payable by CAB hereunder during the Contract Term: (i) for any changes or modifications to, or differences between, the actual equipment and Services provided by Company to CAB and those specified on the Service Summary; (ii) for any changes or difference in the composition, amount or weight of the Waste Materials collected by Company from CAB's service location(s) from what is specified on the Service Summary (including for container overages or overflows); (iii) for any increase in or other modification made by Company to the Fuel Surcharge, Regulatory Cost Recovery Charge, Recyclable Materials Offset, Environmental Charge, and/or any other Charges included or referenced in the Service Summary (which Charges are calculated and/or determined on enterprise-wide basis, including Company and all Affiliates); (iv) to cover any increases in disposal, processing, and/or transportation costs, including fuel surcharges; (v) to cover increased costs due to uncontrollable circumstances, including, without limitation, changes (occurring from and after three (3) months prior to the Effective Date) in local, state, federal or foreign laws or regulations (or the enforcement, interpretation or application thereof), including the imposition of or increase in taxes, fees or surcharges, or acts of God such as floods, fires, hurricanes and natural disasters; and (vi) for increases in the Consumer Price Index ("CPI") for Water, Sewer and Trash Collection Services published by U.S. Bureau of Labor Statistics, or with written notice to CAB, any other national, regional or local CPI, with such increases in CPI being measured from the Effective Date, or as applicable, CAB's last CPI based price increase date ("PI Date"). Increases to Charges specified in this Section 6(b) may be applied singularly or cumulatively and may include an amount for Company's operating or profit margin. CAB acknowledges and agrees that any increased Charges under this Section 6 (including any Consensual Price Increases or Negotiated Price Adjustments) are not represented to be solely an offset or pass through of Company's costs.

(c) **CONSENSUAL PRICE INCREASES.** Without limiting the foregoing, Company also reserves the right to seek, and CAB acknowledges that it should expect Company to seek, increases in the Charges payable by CAB hereunder for reasons not specifically permitted in Section 6(b) (a "Consensual Price Increase"). If CAB does not accept the Consensual Price Increase, CAB's sole right and remedy shall be to terminate this Agreement by written notice to Company no later than thirty (30) days after Company notifies CAB of such Consensual Price Increase. CAB's failure to terminate this Agreement (within the 30-day period) shall be construed as CAB's acknowledgement that the continuation of the Services by Company hereunder is good, valuable and sufficient consideration for the Consensual Price Increase. Notwithstanding the foregoing, the parties may, but are not obligated to, agree to a different increase or adjustment to CAB's Charges (a "Negotiated Price Adjustment") as a result of a Consensual Price Increase. Absent a Negotiated Price Adjustment, the Consensual Price Increase shall be binding and enforceable against CAB under this Agreement unless the CAB terminates this Agreement (within the 30-day period) as described above. CAB's agreement to a Consensual Price Increase or Negotiated Price Adjustment may be evidenced pursuant to Section 6(a) and the parties agree that this Agreement with such modified Charges will continue in full force and effect.

7. **INVOICES; PAYMENT TERMS.** Company shall send all invoices for Charges and any required notices to CAB under this Agreement to CAB's billing address specified in the Service Summary, unless CAB elects to be billed or receive notices electronically or by e-mail, in which case, all CAB invoices and notices also may be delivered in accordance with CAB's electronic billing or email instructions. CAB shall pay all invoiced Charges within thirty (30) days of the invoice date. Any CAB invoice balance not paid within thirty (30) days of the date of invoice is subject to a late charge, and any CAB check returned for insufficient funds is subject to a non-sufficient funds charge, both to the maximum extent allowed by applicable law. CAB acknowledges that any late charge charged by Company is not to be considered as interest on debt or a finance charge, and is a reasonable charge for the anticipated loss and cost to Company for late payment. If payment is not made when due, Company retains the right to suspend Services until the past due balance is paid in full. In addition to full payment of outstanding balances, CAB shall be required to pay a reactivation charge to resume suspended Services. If Services are suspended for more than fifteen (15) days, Company may immediately terminate this Agreement for default and recover any equipment and all amounts owed hereunder, including liquidated damages under Section 9.

8. **EQUIPMENT; ACCESS.** All equipment furnished by Company shall remain its property; however, CAB shall have care, custody and control of the equipment and shall be liable for all loss or damage to the equipment and for its contents while at CAB's service location(s). CAB shall not overload, move or alter the equipment or allow a third party to do so, and shall use it only for its intended purpose. At the termination of this Agreement, Company's equipment shall be in the condition in which it was provided, normal wear and tear excepted. CAB shall provide safe and unobstructed access to the equipment on the scheduled collection day. Company may suspend Services or terminate this Agreement in the event CAB violates any of the requirements of this provision. CAB shall pay, if charged by Company, any additional Charges, determined by Company in its sole discretion, for overloading, moving or altering the equipment or allowing a third

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party to do so, and for any service modifications caused by or resulting from CAB's failure to provide access. CAB warrants that CAB's property is sufficient to bear the weight of Company's equipment and vehicles and agrees that Company shall not be responsible for any damage to CAB's pavement or any other surface resulting from the equipment or Services.

9. LIQUIDATED DAMAGES. In the event CAB terminates this Agreement prior to the expiration of the Initial or Renewal Term for any reason other than as set forth in Section 5(a), or in the event Company terminates this Agreement for CAB's default pursuant to Section 5(c), CAB shall pay the following liquidated damages in addition to Company's legal fees, if any: (a) if the remaining Contract Term (including any applicable Renewal Term) under this Agreement is six (6) or more months, CAB shall pay the average of its six (6) monthly Charges immediately prior to default or termination (or, if the Effective Date is within six (6) months of Company's last invoice date, the average of all monthly Charges) multiplied by six (6); or (b) if the remaining Contract Term is less than six months, CAB shall pay the average of its six (6) most recent monthly Charges multiplied by the number of months remaining in the Contract Term. CAB acknowledges that the actual damage to Company in the event of CAB's early termination or breach of contract is impractical or extremely difficult to fix or prove, the foregoing liquidated damages amount is reasonable and commensurate with the anticipated loss to Company resulting therefrom, and such liquidated damages payment is an agreed upon charge for CAB's early termination or breach of contract and is not imposed as a penalty. CAB shall also pay liquidated damages of \$1.00 for every CAB waste tire that is found at any disposal facility used by Company. In addition to and not in limitation of the foregoing, Company shall be entitled to recover all losses, damages and costs, including attorneys' fees and costs, resulting from CAB's breach of any other provision of this Agreement in addition to all other remedies available at law or in equity.

10. INDEMNITY. Company agrees to indemnify, defend and save CAB and its Affiliates harmless from and against any and all liability which CAB or its Affiliates may suffer, incur or pay as a result of any bodily injuries (including death), property damage or violation of law, to the extent caused by any negligent act or omission or willful misconduct of Company or its employees, which occurs (a) during the collection or transportation of CAB's Waste Materials, or (b) as a result of the disposal of CAB's Waste Materials in a facility owned by Company or an Affiliate, provided that Company's indemnification obligations will not apply to occurrences involving Excluded Materials. CAB agrees to indemnify, defend and save Company and its Affiliates harmless from and against any and all liability which Company and its Affiliates may suffer, incur or pay as a result of any bodily injuries (including death), property damage or violation of law to the extent caused by CAB's breach of this Agreement or by any negligent act or omission or willful misconduct of CAB or its employees, agents or contractors or CAB's use, operation or possession of any equipment furnished by Company. Neither party shall be liable to the other for consequential, incidental or punitive damages arising out of the performance or breach of this Agreement.

11. RIGHT TO PROVIDE COMPETING OFFERS. If CAB receives an offer from (or makes any offer to) a third party relating to such third party's provision to the CAB of the same or similar Services to those provided hereunder, CAB shall give Company prompt written notice of any such offer and a 15-day period to respond to such third party offer prior to CAB agreeing to such third party offer.

12. DISPUTE RESOLUTION-ARBITRATION AGREEMENT AND CLASS ACTION WAIVER, BINDING ARBITRATION: Except for those claims expressly excluded below (EXCLUDED CLAIMS), CAB, on behalf of itself and Customers, and Company agree that any and all existing or future controversy or claim between them arising out of or related to this Agreement or any prior agreements between the parties, whether based in contract, law or equity or alleging any other legal theory, or arising prior to, in connection with, or after the termination of this Agreement or any other agreements, shall be resolved by mandatory binding arbitration (see www.wm.com for details on arbitration procedures). **CLASS ACTION WAIVER:** CAB, on behalf of itself and Customers, and Company agree that under no circumstances, whether in arbitration or otherwise, may CAB bring any claim against Company, or allow any claim that CAB may have against Company to be asserted, as part of a class action, on a consolidated or representative basis or otherwise aggregated with claims brought by, or on behalf of, any other entity or person, including other CABs of Company. **EXCLUDED CLAIMS:** The following are not subject to mandatory binding arbitration: (a) either party's claims against the other in connection with bodily injury or real property damage and for environmental indemnification; and (b) Company's claims against CAB for collection or payment of Charges, damages (liquidated or otherwise) or any other amounts due or payable to Company by CAB under this Agreement or any prior agreements between the parties, but CAB and Company may mutually agree to arbitrate any Excluded Claims.

13. MISCELLANEOUS. (a) Except for the obligation to make payments hereunder for Services already performed, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control, whether or not foreseeable, including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, acts of God, and the inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events. (b) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. (c) The terms, conditions and disclosures set forth on www.wm.com relating to Billing/Billing Help, Charges, Arbitration Procedures, and for those CABs that sign up for electronic billing and payment, WM ePay or Autopay, are incorporated by reference and made a part hereof (as such terms, conditions and disclosures may be changed or modified from time to time, effective from such change or modification). In addition to, and not in limitation of, the foregoing, the terms and provisions of this Agreement may be amended and modified as agreed to by the parties as provided in Section 6(a). Subject to the foregoing, this Agreement represents the entire agreement between the parties and supercedes any and all other agreements for the same Services at the same CAB locations covered by this Agreement, whether written or oral, that may exist between the parties. (d) This Agreement shall be construed in accordance with the law of the state in which the Services are provided. (e) All written notification to Company required by this Agreement shall be effective upon receipt and delivered by Certified Mail, Return Receipt Requested, courier or by hand to Company's address on the first page of the Service Summary, provided that Company may provide written notice to CAB of a different address for written notice to Company. (f) If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement; however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the severed provision. (g) In the event Company successfully enforces its rights against CAB hereunder, CAB shall be required to pay Company's attorneys' fees and court costs. (h) Notwithstanding the termination of this Agreement, Sections 8, 9, 10, 12, 13, 14(d) and CAB's obligation to make payments for all Charges and other amounts due or payable hereunder through the termination date shall survive the termination of this Agreement. (i) The term "Affiliate" means with respect to any specified party, any corporation, limited liability company, partnership or other legal entity, directly or indirectly, controlled by, controlling or under common control with such specified party, with "control" meaning, directly or indirectly, the power to direct or cause the direction of the management and policies of such legal entity, whether through the ownership of voting securities, by contract or otherwise. (j) "business day" means Monday through Friday, excluding bank holidays.

14. RECYCLING SERVICES. The following shall apply to fiber and non-fiber recyclables ("Recyclable Materials") and recycling services: (a) (i) Single stream Recyclable Materials ("Single Stream") will consist of CAB's entire volume of clean, dry, paper or cardboard without wax liners; clean, dry and empty aluminum food and beverage containers, ferrous (iron) or steel cans, aerosol cans, and rigid container plastics #1-7, including narrow neck containers and tubs. Any material not specifically set forth above, including but not limited to foam, film plastics, plastic bags, and tissue or paper that had been in contact with food, is unacceptable ("Unacceptable Materials"), provided that glass may be included in Single Stream with specific written approval of Company. Single Stream may not contain any Unacceptable Materials. (ii) CAB shall provide source-separated waste paper, cardboard, plastics and metals in accordance with the most current ISRI Scrap Specifications Circular and any amendments thereto or replacements thereof. (iii) All other Recyclable Materials will be delivered in accordance with industry standards or such specifications communicated to CAB by Company from time-to-time. (iv) Company reserves the right, upon notice to CAB, to discontinue acceptance of any category of Recyclable Materials as a result of market conditions related to such materials and makes no representations as to the recyclability of the materials which are subject to this Agreement.

(b) Recyclable Materials may not contain Excluded Materials or other materials that are deleterious or capable of causing material damage to any part of Company's property, its personnel or the public or materially impair the strength or the durability of Company's structures or equipment. Company may reject in whole or in part, or may process, in its sole discretion, Recyclable Materials not meeting the specifications, and CAB shall pay and reimburse Company for all costs, losses and expenses incurred with respect to such non-conforming Recyclable Materials including costs for handling, processing, transporting and/or disposing of such non-conforming Recyclable Materials which charges may include an amount for Company's operating or profit margin. Without limiting the foregoing, Company may assess and CAB shall pay a contamination charge for additional handling, processing, transporting and/or disposing of Unacceptable Materials, Excluded Materials, and/or all or part of non-conforming loads. In the event costs of processing recyclables exceeds the commodity value, a recyclable material offset will be charged per ton.

(c) Where Company has agreed in writing to provide a market-based rebate to CAB, the following shall apply. CAB acknowledges that the market value for Recyclable Materials will fluctuate based upon various factors, and such materials may at times have no value or that the value may be negative. Company will establish the value of Recyclable Materials each month based upon such various factors, including but not limited to quantity, quality and location. For recycling services, Company shall pay or charge CAB on or about the last day of each month for Recyclable Materials accepted during the preceding month, after deduction of any charges owed to Company by CAB. Any invoice shall be payable upon receipt. Where recycling services are provided, charges may include separate fuel and environmental surcharges as set forth at www.wm.com.

(d) Notwithstanding anything to the contrary set forth above, the liquidated damages calculation set forth in Section 9 of this Agreement shall not apply to any CAB breach of the Agreement pertaining to Services for Recyclable Materials, which have been determined by Company to have a positive value. If a breach occurs under such circumstances, the damages shall be determined by calculating actual damages rather than such liquidated damages.

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THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
SUMMARY
2021 BUDGET
WITH 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/15/20

	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ 463,091
REVENUES				
Homeowner Maintenance Fees	1,459,760	-	-	402,000
Park/Open Space Fees	-	-	-	23,149
Special Assessments	-	-	-	3,930
Intergovernmental transfers	7,970	-	8,912	22,951
Net Investment Income	50	-	-	-
System Development Fees	355,000	-	-	837,500
Other Revenue	82,963	-	-	5,798
Developer Advance	-	-	-	795,715
Cash Flow Bond Draws	92,886,357	39,439,307	62,000,000	41,000,000
Sub Bond Draws	4,132,680	596,781	596,781	-
Total revenues	98,924,780	40,036,088	62,605,693	43,091,043
Total funds available	98,924,780	40,036,088	62,605,693	43,554,134
EXPENDITURES				
General Fund	1,460,000	-	-	1,238,750
Debt Service Fund	357,000	-	-	837,500
Capital Projects Fund	97,100,000	38,904,390	62,142,602	41,459,977
Total expenditures	98,917,000	38,904,390	62,142,602	43,536,227
Total expenditures and transfers out requiring appropriation	98,917,000	38,904,390	62,142,602	43,536,227
ENDING FUND BALANCES	\$ 7,780	\$ 1,131,698	\$ 463,091	\$ 17,907
EMERGENCY RESERVE	\$ 200	\$ -	\$ 300	\$ 700
TOTAL RESERVE	\$ 200	\$ -	\$ 300	\$ 700

No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
GENERAL FUND
2021 BUDGET
WITH 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/15/20

	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 8,912
REVENUES				
Homeowner Maintenance Fees	1,459,760	-	-	402,000
Park/Open Space Fees	-	-	-	23,149
Special Assessments	-	-	-	3,930
Intergovernmental Transfers	7,970	-	8,912	22,951
Developer Advance	-	-	-	795,715
Net Investment Income	50	-	-	-
Total revenues	1,467,780	-	8,912	1,247,745
Total funds available	1,467,780	-	8,912	1,256,657
EXPENDITURES				
Management/Administrative				
Administrative	10,000	-	-	-
Accounting	100,000	-	-	90,000
Audit	-	-	-	10,000
Billing & Fee Collection	15,000	-	-	18,090
Community Management	75,000	-	-	33,500
District Management	-	-	-	85,000
Covenant Enforcement	10,000	-	-	4,500
Dues and Memberships	-	-	-	2,000
Legal	200,000	-	-	90,000
Insurance	50,000	-	-	25,000
Website Maintenance	1,000	-	-	7,000
Landscaping				
Landscape Enhancements/Reserves	2,500	-	-	-
Landscape Maintenance	401,435	-	-	411,435
Snow Removal	100,000	-	-	133,589
Parks & Trails	59,063	-	-	13,000
Detention Pond Maintenance	250,000	-	-	10,000
Parks & Open Space	-	-	-	132,750
Utilities				
Irrigation/Water	81,218	-	-	81,218
Electricity	-	-	-	4,061
Trash and Recycling	-	-	-	5,025
Winter Watering	5,000	-	-	10,000
Mailbox Maintenance	1,000	-	-	1,500
Contingency	98,784	-	-	71,082
Total expenditures	1,460,000	-	-	1,238,750
Total expenditures and transfers out requiring appropriation	1,460,000	-	-	1,238,750
ENDING FUND BALANCE	\$ 7,780	\$ -	\$ 8,912	\$ 17,907
EMERGENCY RESERVE	\$ 200	\$ -	\$ 300	\$ 700
TOTAL RESERVE	\$ 200	\$ -	\$ 300	\$ 700

No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND
2021 BUDGET
WITH 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/15/20

	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUES				
System Development Fees	355,000	-	-	837,500
Other Revenue	2,000	-	-	-
Total revenues	357,000	-	-	837,500
Total funds available	357,000	-	-	837,500
EXPENDITURES				
Debt Service				
Payment on Sub Bonds	355,000	-	-	619,297
Contingency	2,000	-	-	218,203
Total expenditures	357,000	-	-	837,500
Total expenditures and transfers out requiring appropriation	357,000	-	-	837,500
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/15/20

	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 454,179
REVENUES				
Cash Flow Bond Draws	92,886,357	39,439,307	62,000,000	41,000,000
Sub Bond Draws	4,132,680	596,781	596,781	-
Other Revenue	80,963	-	-	5,798
Total revenues	97,100,000	40,036,088	62,596,781	41,005,798
Total funds available	97,100,000	40,036,088	62,596,781	41,459,977
EXPENDITURES				
Capital Projects				
Intergovernmental Expense - AACMD	92,991,804	37,741,901	60,000,000	40,000,000
Cost of Issuance	4,027,233	1,106,678	2,086,791	1,144,832
Repay Developer Advance	-	55,811	55,811	-
Contingency	80,963	-	-	315,145
Total expenditures	97,100,000	38,904,390	62,142,602	41,459,977
Total expenditures and transfers out requiring appropriation	97,100,000	38,904,390	62,142,602	41,459,977
ENDING FUND BALANCE	\$ -	\$ 1,131,698	\$ 454,179	\$ -

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Aurora Highlands Community Authority Board (CAB), a political subdivision and public corporation of the State of Colorado, was established on November 21, 2019, to own, operate, and maintain certain public improvements within the boundaries of The Aurora Highlands Development (TAH), which is located within the City of Aurora (City), in Adams County, Colorado, pursuant to a Community Authority Board Establishment Agreement (CABEA) entered into by the Aerotropolis Area Coordinating Metropolitan District (AACMD), The Aurora Highlands Metropolitan District Nos. 1-3, and ATEC Metropolitan District Nos. 1-2 (collectively, the Districts).

The CAB has no employees and all administrative functions are contracted.

The CAB prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Section 29-1-105, C.R.S., using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the CAB believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The budget is in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

Revenues

Homeowner Maintenance Fees

The CAB will collect monthly fees from homeowners within TAH to pay for the costs of trash removal, maintenance of parks and future recreation facilities, snow removal, utilities, and administrative costs, such as accounting, legal, insurance, and management.

Intergovernmental Transfers

Pursuant to certain agreements entered into between the CAB and the Districts, the Districts will impose an operations mill levy and debt service mill levy and will transfer tax revenues, net of collection fees, to the CAB to pay for the operations and maintenance costs and the repayment of 2020 Bonds of the CAB.

System Development Fees

It is anticipated that the CAB will impose system development fees on commercial property and residential lots within TAH upon the issuance of building permits at a rate to be determined in the future. It is anticipated that the System Development Fees will be pledged toward the payment of the CAB's 2020 bonds.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General, Administrative, Operations, and Maintenance Expenses

The CAB's 2021 budget includes office costs, fees for outsourced services (legal, accounting, management, etc.), insurance, dues, and other administrative expenditures. The budget also includes operations and maintenance costs for parks, streets, snow removal, trash removal, utilities, and other related expenditures.

Debt Service

The Series 2020 Bonds are paid based on available funds, as such a debt amortization schedule has not been included. It is anticipated that all system development fees collected in 2021 will be used to pay debt service on the CAB's subordinate bonds.

Capital Outlay

The CAB will enter into an agreement with AACMD to manage and construct the public infrastructure within TAH. The CAB will transfer bond proceeds to AACMD. Expenditures in the Capital Projects Fund also include costs of issuance for the bonds

Debt and Leases

On June 30, 2020, the CAB issued Special Tax Revenue Draw-Down Bonds Series 2020A (Series 2020A Bonds) with an estimated par amount of \$165,159,327 and a final maturity of December 15, 2059. The 2020A Bonds bear interest at the rate of 8% per annum which is payable from available pledged revenues on each December 15, beginning on December 15, 2020. The principal on the 2020A Bonds is payable at final maturity or upon optional redemption.

Pledged revenue for the interest and principal payments on the 2020A Bonds will come from the required debt service mill levies, associated specific ownership taxes, and system development fees of TAH Nos. 1-3 and ATEC Nos. 1-2. The required debt service mill levy is 75.277 (subject to Gallagher adjustment) for all Districts except ATEC Metropolitan District No. 2, which is 29.000 mills.

The initial draw down amount on the Series 2020A Bonds was \$39,439,307. Proceeds of the bond draw were used to repay principal and accrued interest on the District's capital developer advances, purchase capital infrastructure from the Developer, fund current capital expenditures, establish a District construction reserve, and pay the costs of issuance of the initial draw down.

Simultaneously with the issuance of the 2020A Bonds, the CAB issued Subordinate Special Tax Revenue Draw-Down Bonds Series 2020B (Series 2020B Bonds) with an estimated par amount of \$32,338,830 and a final maturity of December 15, 2059. The 2020B Bonds bear interest at the rate of 9% per annum which is payable on December 15, beginning on December 15, 2020, to the extent that pledged revenue is available after payments due on the 2020A Bonds have been satisfied.

Pledged revenue for the interest and principal payments on the 2020B Bonds are a subordinate lien on the pledged revenues of 2020A Bonds.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

The initial draw down amount on the Series 2020B Bonds was \$596,781. Proceeds of the bond draw were used to repay principal and accrued interest on certain of the District's capital developer advances, pay estimated annual administrative costs of the District, fund certain current capital expenditures, and pay the costs of issuance of the initial draw down.

The 2020 estimates and 2021 projections for the long-term debt service activities are summarized in the table below.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Special Revenue Bonds				
Series 2020A	\$ -	\$ 60,940,443	\$ -	\$ 60,940,443
Accrued Interest				
Series 2020A	-	1,896,453		1,896,453
Special Revenue Bonds				
Series 2020B	-	596,781	-	596,781
Accrued Interest				
Series 2020B	-	24,617	-	24,617
Total	<u>\$ -</u>	<u>\$ 63,458,294</u>	<u>\$ -</u>	<u>\$ 63,458,294</u>
	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
Developer Advances -				
Operations	\$ -	\$ 795,715	\$ -	\$ 795,715
Special Revenue Bonds				
Series 2020A	60,940,443	68,965,812	-	129,906,255
Accrued Interest				
Series 2020A	1,896,453	7,403,982	-	9,300,435
Special Revenue Bonds				
Series 2020B	596,781	-	-	596,781
Accrued Interest				
Series 2020B	24,617	53,710	-	78,327
Total	<u>\$ 63,458,294</u>	<u>\$ 77,219,219</u>	<u>\$ -</u>	<u>\$ 140,677,513</u>

The CAB has no operating or capital leases.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The CAB has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.