

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NOS. 1, 2 & 3  
(COLLECTIVELY THE “DISTRICTS”)**

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

**NOTICE OF A SPECIAL MEETING AND AGENDA**

<u>Boards of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Matt Hopper	President	2022/May 2022
Carla Ferreira	Vice President	2022/May 2022
Michael Sheldon	Treasurer	2022/May 2023
VACANT	Assistant Secretary	2023/May 2022
Cynthia (Cindy) Shearon	Assistant Secretary	2023/May 2023
Denise Denslow	Secretary	N/A

DATE: **November 4, 2021**  
TIME: **3:00 P.M.**  
PLACE: **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, THIS DISTRICT BOARD MEETING WILL BE HELD BY VIDEO ENABLED WEB CONFERENCE WITH ONE INDIVIDUAL ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE JOIN THE VIDEO ENABLED WEB CONFERENCE ON ZOOM:**

URL:

<https://us06web.zoom.us/j/84371649907?pwd=ZTlpaDVkRU9kTFliRllXenBEcjNqZz09>

Call: 720-707-2699

Meeting ID: 843 7164 9907

Passcode: 346257

**I. ADMINISTRATIVE MATTERS**

- A. Present disclosures of potential conflicts of interest and confirm quorum.
- B. Approve Agenda, confirm location of the meeting and posting of meeting notices.
- 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.

- D. Review and consider approval of the 2022 Annual Administrative Matters Resolutions (enclosures).
- E. Discuss requirements of Section 32-1-809, C.R.S. and direct staff regarding compliance for 2022 (District Transparency Notice).

## **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.

- Review and consider approval of the September 20, 2021 special meeting minutes (enclosure).
- Review and approve 2022 Property and Liability Insurance Policy (enclosures).

## **III. FINANCIAL MATTERS**

- A. Conduct Public Hearings to consider amendments of the 2021 Budgets. If necessary, consider adoption of Resolutions to Amend the 2021 Budgets.
- B. Conduct Public Hearings on the proposed 2022 Budgets and consider adoption of Resolutions to Adopt the 2022 Budgets and Appropriate Sums of Money and Resolutions to Set Mill Levies (enclosures – draft budgets and resolutions).
- C. Authorize District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties.
- D. Consider appointment of District Accountant to prepare 2023 Budgets.

## **IV. LEGAL MATTERS**

- A. Discuss status of proposed The Aurora Highlands Community Authority Board (“CAB”) issuance of Special Tax Revenue Refunding and Improvement Bonds, Series 2021A<sub>(3)</sub> and Subordinate Special Tax Revenue Draw Down Bonds, Series 2021B<sub>(3)</sub> (collectively, the “2021 Bonds”).
  - 1. Discuss Revenue Pledge Agreement (The Aurora Highlands MD No. 1) by and between the CAB and District No. 1 (enclosure).

2. Discuss and consider adoption of a Resolution authorizing District No. 1 to enter into a Revenue Pledge Agreement with the CAB for the purpose of providing revenue to the CAB, to fund the repayment of up to \$4,000,000,000 in Bonds to be issued by the CAB and for the purpose of providing revenue to the CAB not to exceed \$4,000,000,000 annually to fund administration, operations and maintenance costs of the CAB; approving the form of such Revenue Pledge Agreement; authorizing the execution and delivery by District No. 1 thereof and performance by District No. 1 thereunder; approving related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof (to be distributed).
3. Discuss Revenue Pledge Agreement (The Aurora Highlands MD No. 2) by and between the CAB and District No. 2 (enclosure).
4. Discuss and consider adoption of a Resolution authorizing District No. 2 to enter into a Revenue Pledge Agreement with the CAB for the purpose of providing revenue to the CAB, to fund the repayment of up to \$4,000,000,000 in Bonds to be issued by the CAB and for the purpose of providing revenue to the CAB not to exceed \$4,000,000,000 annually to fund administration, operations and maintenance costs of the CAB; approving the form of such Revenue Pledge Agreement; authorizing the execution and delivery by District No. 2 thereof and performance by District No. 2 thereunder; approving related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof (to be distributed).
5. Discuss Revenue Pledge Agreement (The Aurora Highlands MD No. 3) by and between the CAB and District No. 3 (enclosure).
6. Discuss and consider adoption of a Resolution authorizing District No. 3 to enter into a Revenue Pledge Agreement with the CAB for the purpose of providing revenue to the CAB, to fund the repayment of up to \$4,000,000,000 in Bonds to be issued by the CAB and for the purpose of providing revenue to the CAB not to exceed \$4,000,000,000 annually to fund administration, operations and maintenance costs of the CAB; approving the form of such Revenue Pledge Agreement; authorizing the execution and delivery by District No. 3 thereof and performance by District No. 3 thereunder; approving related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof (to be distributed).

7. Discuss and consider approval of Amended and Restated Mill Levy Allocation Policy Agreement by and among the CAB, The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, Aerotropolis Area Coordinating Metropolitan District, ATEC No. 1, and ATEC No. 2 (enclosure).

- B. Consider adoption of Resolution No. 2021-11-\_\_ Calling a Regular Election for Directors on May 3, 2022, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election (enclosed). Discuss need for ballot issues and/or questions.

**V. MANAGER MATTERS**

- A. Consider approval of CliftonLarsonAllen LLP Master Service Agreements and related statement(s) of work (enclosures).

**VI. CONSTRUCTION MATTERS**

**VII. OTHER BUSINESS**

**VIII. ADJOURNMENT**

**There are no regular meetings scheduled for the remainder of 2021.**

**CERTIFIED COPY OF ANNUAL ADMINISTRATIVE RESOLUTION OF  
THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1 (2022)**

[illegible]

At a special meeting of the Board of Directors (the “Board”) of The Aurora Highlands Metropolitan District No. 1 (the “District”), Adams County, Colorado, held at 3:00 p.m., on November 4, 2021, via Zoom:

<https://us06web.zoom.us/j/84371649907?pwd=ZTlpaDVkRU9kTFliRllXenBEdjNqZz09>

Or Call: 1-720-707-2699, Meeting ID: 843 7164 9907, Passcode: 346257, there were present:

Carla Ferreira  
Matthew Hopper  
Cynthia Shearon  
Michael Sheldon

Absent: .

Also present were: MaryAnn McGeady, Elisabeth Cortese and Jon Hoistad; McGeady Becher P.C. (“McGeady”); Debra Sedgeley, Zach Leavitt, Denise Denslow and Anna Jones; CliftonLarsonAllen LLP (“CLA”), and Matthew Ruhland, Collins Cockrel & Cole, P.C.

When the following proceedings were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution and ratify actions taken in connection herewith:

WHEREAS, the District was organized as a special district pursuant to an Order of the District Court in and for Adams County (the “County”), Colorado, and is located entirely within said County and within the City of Aurora (the “City”); and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a) (II), C.R.S.; and

WHEREAS, § 32-1-103(15), C.R.S., requires the Board to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, § 32-1-903(1), C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, pursuant to § 24-10-115, C.R.S.; and

WHEREAS, §§ 32-1-901(2) and 32-1-902(2), C.R.S., require the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government (the “Division”); and

WHEREAS, in accordance with § 24-10-115, C.R.S., the Board is given the authority to obtain insurance to insure the District against all or any part of the District’s liability; and

WHEREAS, § 32-1-306, C.R.S. requires the District to maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor, County Clerk and Recorder and the Division on or before January 1<sup>st</sup> of each year; and

WHEREAS, § 32-1-809, C.R.S., requires that the District, between November 16<sup>th</sup> and January 15<sup>th</sup> of the subsequent year, provide notice to the eligible electors of the District (the “Transparency Notice”), which notice shall contain the following information:

- The address and telephone number of the principal business office;
- The name and business telephone number of the manager or other primary contact person;
- The names of and contact information for members of the board, the name of the board chair, and the name of each member whose office will be on the ballot at the next regular special district election;
- The times and places designated for regularly scheduled meetings of the board during the year, and the place where notice of board meetings is posted pursuant to § 24-6-402(2)(c) C.R.S.;
- The current mill levy, and total ad valorem tax revenue received during the last year;
- The date of the next regular special district election of board members;
- The procedure and time to submit a self-nomination form for election to the board;
- Information on the procedures to request permanent absentee voter status; and
- The address of any web site on which the special district’s election results will be posted.

The Transparency Notice shall be filed with the Division, Board of County Commissioners, County Assessor, County Treasurer and County Clerk and Recorder of each county in which the special district is located, and with the governing body of any municipality in which the special district is located, and shall be provided to electors in one or more of the following ways:

- Mailing the notice separately to each household where one or more eligible electors of the special district resides;
- Including the notice as a prominent part of a newsletter, annual report, billing statement, letter, voter information card or other notice sent by the special district to the eligible electors;
- Posting the information on the official web site of the special district if there is a link to the district's web site on the official web site of the Division;
- For any district that is a member of the Special District Association, by mailing or electronically transmitting the notice to the Special District Association, which shall post the notice on its website.

WHEREAS, § 29-1-205, C.R.S. requires that within 30 days after receiving a written request from the Division, the District shall provide the Division with a current list of all contracts in effect with other political subdivisions; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

WHEREAS, in accordance with § 39-5-1125, C.R.S. the District shall certify its mill levy with the Board of County Commissioners on or before December 15th; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities issued to the public must file an annual report with the Department of Local Affairs; and

WHEREAS, § 32-1-104.8, C.R.S., requires the District to record a Special District Disclosure Document and a map of the boundaries of the District with the County Clerk and Recorder at the time of recording any decree or order organizing a special district or including additional property in a special district; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an application for exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may file an application for exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the

District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, in accordance with § 24-12-103, C.R.S., a person designated by the District shall have the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the Board of County Commissioners of each county in which the District is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, special district directors are governed by § 32-1-902(3), C.R.S., which requires such directors to disqualify himself/herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law; and

WHEREAS, § 32-1-902, C.R.S., requires the Board to elect officers, including a Chair of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, the Board desires to determine the engagement of general counsel for the District to assist with providing legal services and to assist with the operation of the District; and

WHEREAS, the Board desires to continue engagement of an accountant and management for the District to assist with providing financial services and to assist with the financial operations and to manage the affairs of the District, and who shall also be designated as the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105(3)(d), C.R.S.; and

WHEREAS, concerning the public records of the District, § 24-72-202(2), C.R.S. defines "Official Custodian" to mean and include any officer or employee of any political subdivision of the state who is responsible for the maintenance, care, and keeping of public records, regardless of whether the records are in his or her actual personal custody

and control. The maintenance, care and keeping of public records shall be in accordance with the Colorado Special District Records Management Manual; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1, ADAMS COUNTY, COLORADO AS FOLLOWS:

1. The Board determines that each director shall not receive compensation for services as directors.
2. The Board designates the *Aurora Sentinel* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.
3. The Board determines to hold their regular meeting on November \_\_ 2022 at 3:00 p.m. at the Information Center, 3900 E-470 Beltway, Aurora, Colorado.
4. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs the District's management to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division.
5. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's management to cause to be paid the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.
6. The Board directs the District's management to maintain a current, accurate boundary map and shall provide for such map to be on file with the Division, with the County Assessor, County Clerk and Recorder on or before January 1<sup>st</sup>.
7. The Board directs the District's management to provide the Transparency Notice to the eligible electors of the District, the Board of County Commissioners of the County, County Assessor, County Treasurer, County Clerk and Recorder, the Division, the City and the Special District Association between November 16<sup>th</sup> and January 15<sup>th</sup> of the subsequent year.

8. The Board directs the District's management to prepare and file with the Division, within 30 days after receiving a written request from the Division, a current list of all contracts in effect with other political subdivisions.

9. The Board designates the District's accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15<sup>th</sup> for the following year, and, in cooperation with general counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

10. The Board directs the District's accountant to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1<sup>st</sup>, if applicable.

11. The Board directs the District's management to provide the Special District Disclosure Document and a map of the District's boundaries to the County Clerk and Recorder, for recording, at the same time an inclusion order is recorded.

12. The Board directs the District's accountant to: (i) obtain proposals for auditors to be presented to the Board, (2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31<sup>st</sup>, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31<sup>st</sup> in accordance with § 29-1-604, C.R.S.

13. The Board directs the District's accountant to prepare the mill levy certification form and directs the District's accountant to file the mill levy certification form with the Board of County Commissioners on or before December 15<sup>th</sup>.

14. The Board directs the District's management to prepare the Unclaimed Property Act report and forward the report to the State Treasurer by November 1<sup>st</sup>.if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §§ 38-13-110, C.R.S.

15. The Board hereby designates, in addition to any officer of the District, Sarah H. Luetjen as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

16. The Board directs the District's general counsel to prepare and file with the City Council of the City if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

17. The Board directs the District's general counsel to prepare and file the special district annual report with the Board of County Commissioners of the County, the City, the Division, and the State Auditor and shall further deposit a copy of such report with the County Clerk and Recorder per § 32-1-207(3)(c), C.R.S; if required.

18. The District hereby elects the following officers for the District:

President/Chair of the Board Matt Hopper  
 Vice President – Carla Ferreira  
 Treasurer – Michael Sheldon  
 Assistant Secretary – Cynthia (Cindy) Shearon  
 Secretary to the District – Denise Denslow

19. The Board directs the District's general counsel to file conflict of interest disclosure forms provided by Board members with the Secretary of State annually. At the discretion of general counsel, transactional conflict of interest disclosures shall be filed 72 hours prior to regular and special meetings of the Board, when applicable, or at a Board member's request. In addition, written disclosures required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State.

20. The Board extends the current indemnification resolution to allow the resolution to continue in effect as written.

21. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby waives workers' compensation coverage for individual Board members by opting that the individual Board members not be deemed employees as that term is defined in the Workers' Compensation Act of Colorado, and directs legal counsel to file a statement with the Division of Workers' Compensation in the Department of Labor and Employment for the State of Colorado at least forty-five (45) days before the start of the policy year in order to effect such waiver of coverage.

22. The Board determines to engage \_\_\_\_\_ as general counsel for the District beginning as of January 1, 2022.

23. The Board continues the engagement of the firm CliftonLarsonAllen LLP to provide accounting and management services for the District.

24. The Board designates CliftonLarsonAllen LLP to serve as the official custodian of public records and to follow the Colorado Special District Records Management Manual.

WHEREUPON, the motion was seconded by Director \_\_\_\_\_ and upon vote, unanimously carried. The Chair declared the motion carried and so ordered.

ADOPTED AND APPROVED THIS 4<sup>th</sup> DAY OF NOVEMBER, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 1

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATION**

I, Denise Denslow, Secretary of the Board of Directors of The Aurora Highlands Metropolitan District No. 1, Adams County, Colorado do hereby certify that the attached and foregoing Resolution is a true copy from the records of the proceedings of the Board of Directors of The Aurora Highlands Metropolitan District No. 1.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at Adams County, Colorado, this 4<sup>th</sup> day of November, 2021.

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Secretary

[ S E A L ]

**CERTIFIED COPY OF ANNUAL ADMINISTRATIVE RESOLUTION OF  
THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2 (2022)**

[illegible]

At a special meeting of the Board of Directors (the “Board”) of The Aurora Highlands Metropolitan District No. 2 (the “District”), Adams County, Colorado, held at 3:00 p.m., on November 4, 2021, via Zoom:

<https://us06web.zoom.us/j/84371649907?pwd=ZTlpaDVkRU9kTFliRllXenBEcjNqZz09>

Or Call: 1-720-707-2699, Meeting ID: 843 7164 9907, Passcode: 346257, there were present:

Carla Ferreira  
Matthew Hopper  
Cynthia Shearon  
Michael Sheldon

Absent: .

Also present were: MaryAnn McGeady, Elisabeth Cortese and Jon Hoistad; McGeady Becher P.C. (“McGeady”); Debra Sedgeley, Zach Leavitt, Denise Denslow and Anna Jones; CliftonLarsonAllen LLP (“CLA”), and Matthew Ruhland, Collins Cockrel & Cole. P.C.

When the following proceedings were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution and ratify actions taken in connection herewith:

WHEREAS, the District was organized as a special district pursuant to an Order of the District Court in and for Adams County (the “County”), Colorado, and is located entirely within said County and within the City of Aurora (the “City”); and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a) (II), C.R.S.; and

WHEREAS, § 32-1-103(15), C.R.S., requires the Board to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, § 32-1-903(1), C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, pursuant to § 24-10-115, C.R.S.; and

WHEREAS, §§ 32-1-901(2) and 32-1-902(2), C.R.S., require the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government (the “Division”); and

WHEREAS, in accordance with § 24-10-115, C.R.S., the Board is given the authority to obtain insurance to insure the District against all or any part of the District’s liability; and

WHEREAS, § 32-1-306, C.R.S. requires the District to maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor, County Clerk and Recorder and the Division on or before January 1<sup>st</sup> of each year; and

WHEREAS, § 32-1-809, C.R.S., requires that the District, between November 16<sup>th</sup> and January 15<sup>th</sup> of the subsequent year, provide notice to the eligible electors of the District (the “Transparency Notice”), which notice shall contain the following information:

- The address and telephone number of the principal business office;
- The name and business telephone number of the manager or other primary contact person;
- The names of and contact information for members of the board, the name of the board chair, and the name of each member whose office will be on the ballot at the next regular special district election;
- The times and places designated for regularly scheduled meetings of the board during the year, and the place where notice of board meetings is posted pursuant to § 24-6-402(2)(c) C.R.S.;
- The current mill levy, and total ad valorem tax revenue received during the last year;
- The date of the next regular special district election of board members;
- The procedure and time to submit a self-nomination form for election to the board;
- Information on the procedures to request permanent absentee voter status; and
- The address of any web site on which the special district’s election results will be posted.

The Transparency Notice shall be filed with the Division, Board of County Commissioners, County Assessor, County Treasurer and County Clerk and Recorder of each county in which the special district is located, and with the governing body of any municipality in which the special district is located, and shall be provided to electors in one or more of the following ways:

- Mailing the notice separately to each household where one or more eligible electors of the special district resides;
- Including the notice as a prominent part of a newsletter, annual report, billing statement, letter, voter information card or other notice sent by the special district to the eligible electors;
- Posting the information on the official web site of the special district if there is a link to the district's web site on the official web site of the Division;
- For any district that is a member of the Special District Association, by mailing or electronically transmitting the notice to the Special District Association, which shall post the notice on its website.

WHEREAS, § 29-1-205, C.R.S. requires that within 30 days after receiving a written request from the Division, the District shall provide the Division with a current list of all contracts in effect with other political subdivisions; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

WHEREAS, in accordance with § 39-5-1125, C.R.S. the District shall certify its mill levy with the Board of County Commissioners on or before December 15th; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities issued to the public must file an annual report with the Department of Local Affairs; and

WHEREAS, § 32-1-104.8, C.R.S., requires the District to record a Special District Disclosure Document and a map of the boundaries of the District with the County Clerk and Recorder at the time of recording any decree or order organizing a special district or including additional property in a special district; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an application for exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may file an application for exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the

District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, in accordance with § 24-12-103, C.R.S., a person designated by the District shall have the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the Board of County Commissioners of each county in which the District is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, special district directors are governed by § 32-1-902(3), C.R.S., which requires such directors to disqualify himself/herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law; and

WHEREAS, § 32-1-902, C.R.S., requires the Board to elect officers, including a Chair of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, the Board desires to determine the engagement of general counsel for the District to assist with providing legal services and to assist with the operation of the District; and

WHEREAS, the Board desires to continue engagement of an accountant and management for the District to assist with providing financial services and to assist with the financial operations and to manage the affairs of the District, and who shall also be designated as the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105(3)(d), C.R.S.; and

WHEREAS, concerning the public records of the District, § 24-72-202(2), C.R.S. defines "Official Custodian" to mean and include any officer or employee of any political subdivision of the state who is responsible for the maintenance, care, and keeping of public records, regardless of whether the records are in his or her actual personal custody

and control. The maintenance, care and keeping of public records shall be in accordance with the Colorado Special District Records Management Manual; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2, ADAMS COUNTY, COLORADO AS FOLLOWS:

1. The Board determines that each director shall not receive compensation for services as directors.
2. The Board designates the *Aurora Sentinel* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.
3. The Board determines to hold their regular meeting on November \_\_ 2022 at 3:00 p.m. at the Information Center, 3900 E-470 Beltway, Aurora, Colorado.
4. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs the District's management to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division.
5. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's management to cause to be paid the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.
6. The Board directs the District's management to maintain a current, accurate boundary map and shall provide for such map to be on file with the Division, with the County Assessor, County Clerk and Recorder on or before January 1<sup>st</sup>.
7. The Board directs the District's management to provide the Transparency Notice to the eligible electors of the District, the Board of County Commissioners of the County, County Assessor, County Treasurer, County Clerk and Recorder, the Division, the City and the Special District Association between November 16<sup>th</sup> and January 15<sup>th</sup> of the subsequent year.

8. The Board directs the District's management to prepare and file with the Division, within 30 days after receiving a written request from the Division, a current list of all contracts in effect with other political subdivisions.

9. The Board designates the District's accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15<sup>th</sup> for the following year, and, in cooperation with general counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

10. The Board directs the District's accountant to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1<sup>st</sup>, if applicable.

11. The Board directs the District's management to provide the Special District Disclosure Document and a map of the District's boundaries to the County Clerk and Recorder, for recording, at the same time an inclusion order is recorded.

12. The Board directs the District's accountant to: (i) obtain proposals for auditors to be presented to the Board, (2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31<sup>st</sup>, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31<sup>st</sup> in accordance with § 29-1-604, C.R.S.

13. The Board directs the District's accountant to prepare the mill levy certification form and directs the District's accountant to file the mill levy certification form with the Board of County Commissioners on or before December 15<sup>th</sup>.

14. The Board directs the District's management to prepare the Unclaimed Property Act report and forward the report to the State Treasurer by November 1<sup>st</sup>.if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §§ 38-13-110, C.R.S.

15. The Board hereby designates, in addition to any officer of the District, Sarah H. Luetjen as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

16. The Board directs the District's general counsel to prepare and file with the City Council of the City if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

17. The Board directs the District's general counsel to prepare and file the special district annual report with the Board of County Commissioners of the County, the City, the Division, and the State Auditor and shall further deposit a copy of such report with the County Clerk and Recorder per § 32-1-207(3)(c), C.R.S; if required.

18. The District hereby elects the following officers for the District:

President/Chair of the Board Matt Hopper  
 Vice President – Carla Ferreira  
 Treasurer – Michael Sheldon  
 Assistant Secretary – Cynthia (Cindy) Shearon  
 Secretary to the District – Denise Denslow

19. The Board directs the District's general counsel to file conflict of interest disclosure forms provided by Board members with the Secretary of State annually. At the discretion of general counsel, transactional conflict of interest disclosures shall be filed 72 hours prior to regular and special meetings of the Board, when applicable, or at a Board member's request. In addition, written disclosures required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State.

20. The Board extends the current indemnification resolution to allow the resolution to continue in effect as written.

21. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby waives workers' compensation coverage for individual Board members by opting that the individual Board members not be deemed employees as that term is defined in the Workers' Compensation Act of Colorado, and directs legal counsel to file a statement with the Division of Workers' Compensation in the Department of Labor and Employment for the State of Colorado at least forty-five (45) days before the start of the policy year in order to effect such waiver of coverage.

22. The Board determines to engage \_\_\_\_\_ as general counsel for the District beginning as of January 1, 2022.

23. The Board continues the engagement of the firm CliftonLarsonAllen LLP to provide accounting and management services for the District.

24. The Board designates CliftonLarsonAllen LLP to serve as the official custodian of public records and to follow the Colorado Special District Records Management Manual.

WHEREUPON, the motion was seconded by Director \_\_\_\_\_ and upon vote, unanimously carried. The Chair declared the motion carried and so ordered.

ADOPTED AND APPROVED THIS 4<sup>th</sup> DAY OF NOVEMBER, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 2

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATION**

I, Denise Denslow, Secretary of the Board of Directors of The Aurora Highlands Metropolitan District No. 2, Adams County, Colorado do hereby certify that the attached and foregoing Resolution is a true copy from the records of the proceedings of the Board of Directors of The Aurora Highlands Metropolitan District No. 2.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at Adams County, Colorado, this 4<sup>th</sup> day of November, 2021.

\_\_\_\_\_  
Secretary

[ S E A L ]

**CERTIFIED COPY OF ANNUAL ADMINISTRATIVE RESOLUTION OF  
THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3 (2022)**

[illegible]

At a special meeting of the Board of Directors (the “Board”) of The Aurora Highlands Metropolitan District No. 3 (the “District”), Adams County, Colorado, held at 3:00 p.m., on November 4, 2021, via Zoom:

<https://us06web.zoom.us/j/84371649907?pwd=ZTlpaDVkRU9kTFliRllXenBEdjNqZz09>

Or Call: 1-720-707-2699, Meeting ID: 843 7164 9907, Passcode: 346257, there were present:

Carla Ferreira  
Matthew Hopper  
Cynthia Shearon  
Michael Sheldon

Absent: .

Also present were: MaryAnn McGeady, Elisabeth Cortese and Jon Hoistad; McGeady Becher P.C. (“McGeady”); Debra Sedgeley, Zach Leavitt, Denise Denslow and Anna Jones; CliftonLarsonAllen LLP (“CLA”), and Matthew Ruhland, Collins Cockrel & Cole, P.C.

When the following proceedings were had and done, to wit:

It was moved by Director \_\_\_\_\_ to adopt the following Resolution and ratify actions taken in connection herewith:

WHEREAS, the District was organized as a special district pursuant to an Order of the District Court in and for Adams County (the “County”), Colorado, and is located entirely within said County and within the City of Aurora (the “City”); and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a) (II), C.R.S.; and

WHEREAS, § 32-1-103(15), C.R.S., requires the Board to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, § 32-1-903(1), C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, pursuant to § 24-10-115, C.R.S.; and

WHEREAS, §§ 32-1-901(2) and 32-1-902(2), C.R.S., require the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government (the “Division”); and

WHEREAS, in accordance with § 24-10-115, C.R.S., the Board is given the authority to obtain insurance to insure the District against all or any part of the District’s liability; and

WHEREAS, § 32-1-306, C.R.S. requires the District to maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor, County Clerk and Recorder and the Division on or before January 1<sup>st</sup> of each year; and

WHEREAS, § 32-1-809, C.R.S., requires that the District, between November 16<sup>th</sup> and January 15<sup>th</sup> of the subsequent year, provide notice to the eligible electors of the District (the “Transparency Notice”), which notice shall contain the following information:

- The address and telephone number of the principal business office;
- The name and business telephone number of the manager or other primary contact person;
- The names of and contact information for members of the board, the name of the board chair, and the name of each member whose office will be on the ballot at the next regular special district election;
- The times and places designated for regularly scheduled meetings of the board during the year, and the place where notice of board meetings is posted pursuant to § 24-6-402(2)(c) C.R.S.;
- The current mill levy, and total ad valorem tax revenue received during the last year;
- The date of the next regular special district election of board members;
- The procedure and time to submit a self-nomination form for election to the board;
- Information on the procedures to request permanent absentee voter status; and
- The address of any web site on which the special district’s election results will be posted.

The Transparency Notice shall be filed with the Division, Board of County Commissioners, County Assessor, County Treasurer and County Clerk and Recorder of each county in which the special district is located, and with the governing body of any municipality in which the special district is located, and shall be provided to electors in one or more of the following ways:

- Mailing the notice separately to each household where one or more eligible electors of the special district resides;
- Including the notice as a prominent part of a newsletter, annual report, billing statement, letter, voter information card or other notice sent by the special district to the eligible electors;
- Posting the information on the official web site of the special district if there is a link to the district's web site on the official web site of the Division;
- For any district that is a member of the Special District Association, by mailing or electronically transmitting the notice to the Special District Association, which shall post the notice on its website.

WHEREAS, § 29-1-205, C.R.S. requires that within 30 days after receiving a written request from the Division, the District shall provide the Division with a current list of all contracts in effect with other political subdivisions; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

WHEREAS, in accordance with § 39-5-1125, C.R.S. the District shall certify its mill levy with the Board of County Commissioners on or before December 15th; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities issued to the public must file an annual report with the Department of Local Affairs; and

WHEREAS, § 32-1-104.8, C.R.S., requires the District to record a Special District Disclosure Document and a map of the boundaries of the District with the County Clerk and Recorder at the time of recording any decree or order organizing a special district or including additional property in a special district; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an application for exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may file an application for exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the

District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, in accordance with § 24-12-103, C.R.S., a person designated by the District shall have the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the Board of County Commissioners of each county in which the District is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, special district directors are governed by § 32-1-902(3), C.R.S., which requires such directors to disqualify himself/herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law; and

WHEREAS, § 32-1-902, C.R.S., requires the Board to elect officers, including a Chair of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado; and

WHEREAS, the Board desires to determine the engagement of general counsel for the District to assist with providing legal services and to assist with the operation of the District; and

WHEREAS, the Board desires to continue engagement of an accountant and management for the District to assist with providing financial services and to assist with the financial operations and to manage the affairs of the District, and who shall also be designated as the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105(3)(d), C.R.S.; and

WHEREAS, concerning the public records of the District, § 24-72-202(2), C.R.S. defines "Official Custodian" to mean and include any officer or employee of any political subdivision of the state who is responsible for the maintenance, care, and keeping of public records, regardless of whether the records are in his or her actual personal custody

and control. The maintenance, care and keeping of public records shall be in accordance with the Colorado Special District Records Management Manual; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3, ADAMS COUNTY, COLORADO AS FOLLOWS:

1. The Board determines that each director shall not receive compensation for services as directors.
2. The Board designates the *Aurora Sentinel* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.
3. The Board determines to hold their regular meeting on November \_\_ 2022 at 3:00 p.m. at the Information Center, 3900 E-470 Beltway, Aurora, Colorado.
4. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs the District's management to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division.
5. The Board directs the District's management to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's management to cause to be paid the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.
6. The Board directs the District's management to maintain a current, accurate boundary map and shall provide for such map to be on file with the Division, with the County Assessor, County Clerk and Recorder on or before January 1<sup>st</sup>.
7. The Board directs the District's management to provide the Transparency Notice to the eligible electors of the District, the Board of County Commissioners of the County, County Assessor, County Treasurer, County Clerk and Recorder, the Division, the City and the Special District Association between November 16<sup>th</sup> and January 15<sup>th</sup> of the subsequent year.

8. The Board directs the District's management to prepare and file with the Division, within 30 days after receiving a written request from the Division, a current list of all contracts in effect with other political subdivisions.

9. The Board designates the District's accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15<sup>th</sup> for the following year, and, in cooperation with general counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

10. The Board directs the District's accountant to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1<sup>st</sup>, if applicable.

11. The Board directs the District's management to provide the Special District Disclosure Document and a map of the District's boundaries to the County Clerk and Recorder, for recording, at the same time an inclusion order is recorded.

12. The Board directs the District's accountant to: (i) obtain proposals for auditors to be presented to the Board, (2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31<sup>st</sup>, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31<sup>st</sup> in accordance with § 29-1-604, C.R.S.

13. The Board directs the District's accountant to prepare the mill levy certification form and directs the District's accountant to file the mill levy certification form with the Board of County Commissioners on or before December 15<sup>th</sup>.

14. The Board directs the District's management to prepare the Unclaimed Property Act report and forward the report to the State Treasurer by November 1<sup>st</sup>.if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §§ 38-13-110, C.R.S.

15. The Board hereby designates, in addition to any officer of the District, Sarah H. Luetjen as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

16. The Board directs the District's general counsel to prepare and file with the City Council of the City if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

17. The Board directs the District's general counsel to prepare and file the special district annual report with the Board of County Commissioners of the County, the City, the Division, and the State Auditor and shall further deposit a copy of such report with the County Clerk and Recorder per § 32-1-207(3)(c), C.R.S; if required.

18. The District hereby elects the following officers for the District:

President/Chair of the Board Matt Hopper  
 Vice President – Carla Ferreira  
 Treasurer – Michael Sheldon  
 Assistant Secretary – Cynthia (Cindy) Shearon  
 Secretary to the District – Denise Denslow

19. The Board directs the District's general counsel to file conflict of interest disclosure forms provided by Board members with the Secretary of State annually. At the discretion of general counsel, transactional conflict of interest disclosures shall be filed 72 hours prior to regular and special meetings of the Board, when applicable, or at a Board member's request. In addition, written disclosures required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State.

20. The Board extends the current indemnification resolution to allow the resolution to continue in effect as written.

21. In accordance with § 8-40-202(1)(a)(I)(B), C.R.S., the Board hereby waives workers' compensation coverage for individual Board members by opting that the individual Board members not be deemed employees as that term is defined in the Workers' Compensation Act of Colorado, and directs legal counsel to file a statement with the Division of Workers' Compensation in the Department of Labor and Employment for the State of Colorado at least forty-five (45) days before the start of the policy year in order to effect such waiver of coverage.

22. The Board determines to engage \_\_\_\_\_ as general counsel for the District beginning as of January 1, 2022.

23. The Board continues the engagement of the firm CliftonLarsonAllen LLP to provide accounting and management services for the District.

24. The Board designates CliftonLarsonAllen LLP to serve as the official custodian of public records and to follow the Colorado Special District Records Management Manual.

WHEREUPON, the motion was seconded by Director \_\_\_\_\_ and upon vote, unanimously carried. The Chair declared the motion carried and so ordered.

ADOPTED AND APPROVED THIS 4<sup>th</sup> DAY OF NOVEMBER, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 3

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATION**

I, Denise Denslow, Secretary of the Board of Directors of The Aurora Highlands Metropolitan District No. 3, Adams County, Colorado do hereby certify that the attached and foregoing Resolution is a true copy from the records of the proceedings of the Board of Directors of The Aurora Highlands Metropolitan District No. 3.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at Adams County, Colorado, this 4<sup>th</sup> day of November, 2021.

\_\_\_\_\_  
Secretary

[ S E A L ]

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS METROPOLITAN DISTRICT NOS. 1, 2 & 3 ("DISTRICTS") HELD September 20, 2021

A special meeting of the Boards of Directors of the Districts, County of Adams (referred to hereafter as the "Boards") was convened on Monday, September 20, 2021 at 3:18 p.m. at the Information Center, 3900 E. 470 Beltway, Aurora, Colorado. 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 Districts' Board meeting was held and properly noticed to be held via video enabled web conference, with Director Ferreira attending in person at the physical meeting location. The meeting was open to the public via videoconference.

**Directors in Attendance Were:**

Matt Hopper  
Carla Ferreira  
Michael Sheldon  
Cynthia (Cindy) Shearon

**Also in Attendance Were:**

MaryAnn McGeady, Esq, Elisabeth A. Cortese, Esq. and Jon Hoistad, Esq.;  
McGeady Becher P.C.  
Denise Denslow, Celeste Terrell, Debra Sedgeley and Zach Leavitt;  
CliftonLarsonAllen LLP ("CLA")  
Matthew Ruhland; Collins Cockrel & Cole P.C.

**ADMINISTRATIVE  
MATTERS**

**Disclosure of Potential Conflicts of Interest:** Attorney Cortese discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Boards of Directors to the Secretary of State. The members of the Boards 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 Boards 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. No new conflicts were disclosed.

**Quorum/Confirmation of Meeting Location/Posting of Notice:** Director Hopper confirmed a quorum for the special meeting. The Boards entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the Districts' Boards meeting. Following discussion, upon motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously

## RECORD OF PROCEEDINGS

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carried, the Boards determined that because there was not a suitable or convenient location within the Districts' boundaries to conduct this meeting it was determined to conduct this meeting at the above-stated location, with Director Ferreira 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 Boards members and consultants attended via videoconference. The Boards 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 taxpaying electors within their boundaries have been received.

**Agenda:** The Boards considered the proposed Agenda for the Districts' special meeting. Following discussion, upon motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the Agenda was approved, as presented.

**Public Comment:** There was no public comment.

### CONSENT AGENDA

**November 12, 2020 Special Meeting Minutes:** Following review, upon a motion duly made by Director Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Boards approved the consent agenda.

### LEGAL MATTERS

**Aerotropolis Regional Transportation Authority ("ARTA") 2021 Bond issuance:** Attorney McGeady provided an overview of the status of the proposed Aerotropolis Regional Transportation Authority ("ARTA") 2021 Bond issuance with the Boards.

**District's Notice of Intent to Undertake Certain Actions (45-Day period ended on September 19, 2021):** Attorney McGeady discussed the status of the Notice of Intent to Undertake Certain Actions with the Boards.

**Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levies by and among ARTA, the District and The Aurora Highlands Metropolitan District Nos. 1, 2 and 3:** Following discussion, upon a motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the Boards approved the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levies by and among ARTA, the District and The Aurora Highlands Metropolitan District Nos. 1, 2 and 3.

**Resolution authorizing The Aurora Highlands Metropolitan District No. 1 ("District No. 1") to enter into the Agreement for the purpose of securing debt obligations of the Aerotropolis**

## RECORD OF PROCEEDINGS

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**Regional Transportation Authority in a maximum aggregate principal amount of up to \$600,000,000; approving the form of the Agreement and authorizing the execution and delivery thereof and performance by District No. 1 thereunder; authorizing District No. 1 to impose ad valorem property taxes in the amount of its ARI Mill Levy (within the meaning of its service plan and the Agreement) as and if required under the Agreement; authorizing the execution and delivery by District No. 1 of related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof:**

Following discussion, upon a motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the District No. 1 Board adopted the Resolution authorizing The Aurora Highlands Metropolitan District No. 1 ("District No. 1") to enter into the Agreement for the purpose of securing debt obligations of the Aerotropolis Regional Transportation Authority in a maximum aggregate principal amount of up to \$600,000,000; approving the form of the Agreement and authorizing the execution and delivery thereof and performance by District No. 1 thereunder; authorizing District No. 1 to impose ad valorem property taxes in the amount of its ARI Mill Levy (within the meaning of its service plan and the Agreement) as and if required under the Agreement; authorizing the execution and delivery by District No. 1 of related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof.

**Resolution authorizing The Aurora Highlands Metropolitan District No. 2 ("District No. 2") to enter into the Agreement for the purpose of securing debt obligations of the Aerotropolis Regional Transportation Authority in a maximum aggregate principal amount of up to \$600,000,000; approving the form of the Agreement and authorizing the execution and delivery thereof and performance by District No. 2 thereunder; authorizing District No. 2 to impose ad valorem property taxes in the amount of its ARI Mill Levy (within the meaning of its service plan and the Agreement) as and if required under the Agreement; authorizing the execution and delivery by District No. 2 of related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof:**

Following discussion, upon a motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the District No. 2 Board adopted the Resolution authorizing The Aurora Highlands

## RECORD OF PROCEEDINGS

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Metropolitan District No. 2 (“District No. 2”) to enter into the Agreement for the purpose of securing debt obligations of the Aerotropolis Regional Transportation Authority in a maximum aggregate principal amount of up to \$600,000,000; approving the form of the Agreement and authorizing the execution and delivery thereof and performance by District No. 2 thereunder; authorizing District No. 2 to impose ad valorem property taxes in the amount of its ARI Mill Levy (within the meaning of its service plan and the Agreement) as and if required under the Agreement; authorizing the execution and delivery by District No. 2 of related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof.

**Resolution authorizing The Aurora Highlands Metropolitan District No. 3 (“District No. 3”) to enter into the Agreement for the purpose of securing debt obligations of the Aerotropolis Regional Transportation Authority in a maximum aggregate principal amount of up to \$600,000,000; approving the form of the Agreement and authorizing the execution and delivery thereof and performance by District No. 3 thereunder; authorizing District No. 3 to impose ad valorem property taxes in the amount of its ARI Mill Levy (within the meaning of its service plan and the Agreement) as and if required under the Agreement; authorizing the execution and delivery by District No. 3 of related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof:** Following discussion, upon a motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the District No. 3 Board adopted the Resolution authorizing The Aurora Highlands Metropolitan District No. 3 (“District No. 3”) to enter into the Agreement for the purpose of securing debt obligations of the Aerotropolis Regional Transportation Authority in a maximum aggregate principal amount of up to \$600,000,000; approving the form of the Agreement and authorizing the execution and delivery thereof and performance by District No. 3 thereunder; authorizing District No. 3 to impose ad valorem property taxes in the amount of its ARI Mill Levy (within the meaning of its service plan and the Agreement) as and if required under the Agreement; authorizing the execution and delivery by District No. 3 of related financing documents in connection therewith; authorizing incidental action; repealing prior inconsistent actions; and establishing the effective date thereof.

## RECORD OF PROCEEDINGS

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### FINANCIAL MATTERS

**2020 Applications for Exemption from Audit for The Aurora Highlands Metropolitan District Nos. 1, 2 and 3:** Following review, upon a motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the Boards ratified approval of the 2020 Applications for Exemption from Audit for The Aurora Highlands Metropolitan District Nos. 1, 2 and 3.

### MANAGER MATTERS

None.

### CONSTRUCTION MATTERS

None.

### OTHER BUSINESS

None.

### ADJOURNMENT

Following discussion, upon motion duly made by Director Hopper, seconded by Director Sheldon and, upon vote, unanimously carried, the Board adjourned the meeting at 3:20 p.m.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting



384 Inverness Parkway Suite 170  
Englewood, CO 80112  
(303) 368-5757  
tcwinfo@wilsonins.com

Invoice # 9953		Page 401 of 1
Account Number		Date
GREEVAL-02		10/7/2021
BALANCE DUE ON		
1/1/2022		
AMOUNT PAID		Amount Due
		\$495.00

**The Aurora Highlands Metropolitan District No. 1 fka Green Valley Ranch East MD No. 2**  
**c/o CliftonLarsonAllen, LLP**  
**8390 East Crescent Parkway, Suite 300**  
**Greenwood Village, CO 80111**

Commercial Package	PolicyNumber: 0009516	Effective: 1/1/2022 to 1/1/2023
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Item #	Trans Eff Date	Due Date	Trans	Description	Amount
68113	1/1/2022	1/1/2022	FEEA	2022 Agency Fee	\$495.00
Total Invoice Balance:					\$495.00



384 Inverness Parkway Suite 170  
Englewood, CO 80112  
(303) 368-5757  
tcwinfo@wilsonins.com

Invoice # 9952		Page 1 of 1
Account Number		Date
GREEVAL-03		10/7/2021
BALANCE DUE ON		
1/1/2022		
AMOUNT PAID		Amount Due
		\$495.00

**The Aurora Highlands Metropolitan District No. 2 fka Green Valley Ranch East MD No. 3**  
**c/o CliftonLarsonAllen, LLP**  
**8390 E. Crescent Parkway, Suite 300**  
**Greenwood Village, CO 80111**

Commercial Package	PolicyNumber: 0009537	Effective: 1/1/2022 to 1/1/2023
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Item #	Trans Eff Date	Due Date	Trans	Description	Amount
68112	1/1/2022	1/1/2022	FEEA	2022 Agency Fee	\$495.00
<b>Total Invoice Balance:</b>					<b>\$495.00</b>

## **Renewal Documents and Invoice**

### **1/1/2022 to EOD 12/31/2022**

Acceptance of this coverage is evidenced only by payment of the enclosed invoice by January 1, 2022. Please review the attached Coverage Contribution instructions for details about your payment.

The following renewal documents are enclosed where applicable:

1. Invoice: Payment is due upon receipt. Please return a copy of the invoice with your payment to ensure that it is applied correctly.
2. Coverage Declaration Pages: Informational page summarizing the key points about the coverage provided including limits and deductible descriptions for all coverage provided. Full coverage forms will be available at [csdpool.org/documents](https://csdpool.org/documents) on January 1, 2022.
3. Schedules: Lists of exposures and values.
4. Certificates of coverage: Originals are mailed directly to the Certificate Holders.
5. Automobile identification cards: Hard copies will be mailed.
6. Quote for Excess Liability limits: Limits of up to \$8 million, in excess of the primary \$2 million Liability limit, are available. Although the primary \$2 million Liability limit is sufficient to cover the CGIA tort cap, we do recommend that you consider purchasing higher limits primarily due to special districts' unlimited liability to federal civil rights, discrimination, harassment, whistle blowing, and other employment-related practices claims.
7. Net loss ratio comparison report by line of coverage: A comparison of losses over the last two years.



## **Renewal Notice**

The annual contribution for your coverage with the Pool is due upon receipt of the invoice. To make a payment, please mail your check to

Colorado Special Districts Property & Liability Pool  
PO Box 1539  
Portland, OR 97207

For express or overnight mail services, please use the address below:

McGriff Insurance Services, Inc.  
1800 SW 1<sup>st</sup> Ave, Suite 400  
Portland, OR 97201

Please include a copy of the invoice with your payment to ensure that it is accurately applied.

The Pool does not accept credit card payments; however, if you would like to make payment via wire transfer, please let us know and we will be happy to provide you with the wiring instructions.

Please be advised that in accordance with the Intergovernmental Agreement (IGA), automatic expulsion will occur on the 60<sup>th</sup> day should your account not be current. If you wish to reinstate your district's coverage after cancellation has occurred, a \$100 reinstatement fee will apply.

If your district requires a payment extension, please submit a request in writing by December 1, 2021 for consideration by the CSD Pool Board of Directors.

Another requirement for maintaining coverage with the Pool is adoption of the IGA and Resolution by each District's Board of Directors. The signed and executed agreements must be on file with the Pool Administrator within 60 days of initial binding of coverage with the Pool. This document is not required each year at renewal.

Finally, all members in the Pool must be members in good standing with the Special District Association of Colorado (SDA). The CSD Pool will non-renew coverage if the SDA determines that your membership dues are not current.

For billing questions, please email us at [billing@csdpool.org](mailto:billing@csdpool.org) or call us at 800-318-8870, ext. 3.

**Named Member:**

The Aurora Highlands Metropolitan District No. 3  
 c/o CliftonLarsonAllen LLP  
 8390 East Crescent Parkway, Suite 300  
 Greenwood Village, CO 80111

**Broker of Record:**

TCW Risk Management  
 384 Inverness Parkway  
 Suite 170  
 Englewood, CO 80112

Coverage No.	Entity ID	Effective Date	Expiration Date	Invoice Date
POL-0009557	61774	1/1/2022	EOD 12/31/2022	9/26/2021

Coverage	Contribution
General Liability	\$ 520.00
Crime	\$ 135.00
Non-Owned Auto Liability	\$ 132.00
Hired Auto Physical Damage	\$ 65.00
No-Fault Water Intrusion & Sewer Backup	\$ 6.00
Public Officials Liability	\$1,163.00
Pollution	\$ 0.00

<b>Total Contribution</b>	<b>\$2,021</b>
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*Please note: where included above, Hired Auto Physical Damage, Non-Owned Auto Liability, and No-Fault Water Intrusion & Sewer Backup are mandatory coverages and may not be removed.*

*The following discounts are applied (Not applicable to minimum contributions):*

*10% Direct Discount*

*8% Multi Program Discount for WC Program Participation*

**Please include a copy of the invoice with your check.**

**Please Remit Payment to:**

Colorado Special Districts Property and Liability Pool  
 c/o McGriff Insurance Services, Inc.  
 PO Box 1539  
 Portland, OR 97207-1539

**Payment Due Upon Receipt**

**Payment evidences acceptance of this coverage. NOTE: Terms of the Intergovernmental Agreement require timely payment to prevent automatic cancellation of coverage. Only the Colorado Special Districts Property and Liability Pool Board of Directors can extend the cancellation provision.**



## Public Entity Liability and Auto Physical Damage Certificate Holder Declaration

**Master Coverage Document Number:** CSD Pool CTC 01 01 22 and CSD Pool PEL 01 01 22

**Certificate Number:** POL-0009557

**Coverage Period:** 1/1/2022 to EOD 12/31/2022

**Named Member:**

The Aurora Highlands Metropolitan District No.

3

c/o CliftonLarsonAllen LLP

8390 East Crescent Parkway, Suite 300

Greenwood Village, CO 80111

**Broker of Record:**

TCW Risk Management

384 Inverness Parkway

Suite 170

Englewood, CO 80112

Coverage is provided only for those coverages indicated below for which a contribution is shown.

Coverage	Per Occurrence Limit	Annual Aggregate Limit	Deductible	Contribution
<b>Public Entity Liability Coverage including:</b>	\$2,000,000	None		
General Liability	Included	None	None	\$520
Medical Payments - Premises	\$10,000	None	None	Included
Employee Benefits Liability	Included	None	None	Included
Public Officials Liability	Included	None	\$1,000	\$1,163
Employment Practices Liability	Included	None	*\$100,000	Included
Pre Loss Legal Assistance	\$3,500	\$7,000	None	Included
No-Fault Water Intrusion & Sewer Backup	\$200,000 limited to \$10,000 Any One Premises	***\$1,000,000	\$500	\$6
Cyber	\$200,000	**\$200,000	\$1,000	Included
Fiduciary Liability	\$200,000	**\$200,000	\$1,000	Included
Excess Liability - Coverage agreements A,B,C,D	No Coverage	No Coverage	N/A	No
Auto Liability	No Coverage	No Coverage	N/A	No
Medical Payments – Auto	No Coverage	No Coverage	N/A	No
Non-Owned and Hired Auto Liability	Included	None	None	\$132
Uninsured/Underinsured Motorists Liability	No Coverage	No Coverage	N/A	No
<b>Auto Physical Damage</b>	No Coverage	No Coverage	N/A	No
Hired Auto Physical Damage	\$50,000	N/A	\$500/\$500	\$65
Auto Physical Damage - Employee Deductible Reimbursement	\$2,500	N/A	None	Included

**Total Contribution** 1,886.00

\*Employment Practices Liability Deductible: 50% of loss including Indemnity and Legal Expenses subject to a maximum deductible of \$100,000 each occurrence.

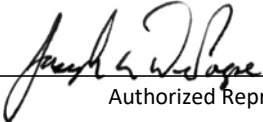
\*\*A \$5,000,000 All Member Annual Aggregate Limit shall apply to Cyber.

\*\*A \$1,000,000 All Member Annual Aggregate Limit shall apply to Fiduciary Liability.

\*\*\*No-Fault Water Intrusion & Sewer Backup has \$1,000,000 All Member Annual Aggregate Limit.

**Additional Endorsements applicable to Member:**

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Public Entity Liability Coverage Document. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage Document for actual coverage, terms, conditions, and exclusions.

Countersigned by:   
Authorized Representative

Date: 9/26/2021

### Crime Certificate Holder Declaration

**Master Coverage Document Number:** J05931794  
**Certificate Number:** POL-0009557

**Insurer:** Federal Insurance Company (Chubb)  
**Coverage Period:** 1/1/2022 to EOD 12/31/2022

**Named Member:**

The Aurora Highlands Metropolitan District No. 3  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111

**Broker of Record:**

TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

**Covered Designated Agent(s):**

**Coverages and Limits:**

<b>Employee Theft:</b>	\$5,000
<ul style="list-style-type: none"> <li>Limit is maximum for each loss</li> <li>Employee includes executives, full-time, part-time, seasonal, leased and temporary employee(s), interns or non-compensated volunteer.</li> <li>Includes funds from a sponsored benefit plan.</li> </ul>	
<b>Public Official Faithful Performance of Duty:</b>	\$5,000
<b>Client Theft:</b>	\$5,000
<b>Forgery or Alteration:</b>	\$5,000
<b>On Premises:</b>	\$5,000
<b>In Transit:</b>	\$5,000
<b>Computer System Fraud:</b>	\$5,000
<b>Funds Transfer Fraud:</b>	\$5,000
<b>Debit, Credit or Charge Card Fraud:</b>	\$5,000
<b>Money Orders and Counterfeit Paper Currency Fraud:</b>	\$5,000
<b>Social Engineering Fraud:</b>	\$5,000

**Deductible(s):**

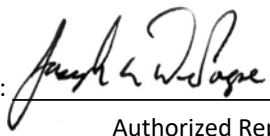
<b>All Crime except Social Engineer Fraud:</b>	\$100
<b>Social Engineering Fraud:</b>	20% of Social Engineering Fraud Limit

**Contribution:** \$135

**Policy Forms:**

PF-52815 (04/20)	The Chubb Primary <sup>SM</sup> Commercial Crime Insurance
PF-52853 (04/20)	Governmental Entity (Colorado Special Districts Pool) Endorsement
PF-53127 (04/20)	Colorado Amendatory Endorsement
PF-52851 (04/20)	Add Corporate Credit Card Coverage

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Master Crime Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Policy Documents for actual coverage, terms, conditions, and exclusions.

Countersigned by:  \_\_\_\_\_  
Authorized Representative

**Identity Recovery Certificate Holder Declaration****Master Coverage Policy Number:**  
CSD Pool IDR Form 01 01 21**Insurer:**  
The Hartford Steam Boiler Inspection  
and Insurance Company**Certificate Number:** POL-0009557**Coverage Period:** 1/1/2022 to EOD 12/31/2022**Named Member:**The Aurora Highlands Metropolitan District No. 3  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111**Broker of Record:**TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112**Member:**

All permanent employees and District Board members participating in the Colorado Special Districts Property and Liability Pool; Special District Association of Colorado staff and Board of Directors.

**Coverage:**

Reimbursement coverage for expenses arising from a defined "Identity Theft" event. Including: legal fees for answer of civil judgments and defense of criminal charges; phone, postage, shipping fees; notary and filing fees; credit bureau reports; lost wages; child/elder care and mental health counseling.

This coverage does not reimburse the member for monies stolen or fraudulently charged to the member, and excludes loss arising from the member's fraudulent, dishonest or criminal act.

**Annual Aggregate Limit per Member:** **\$35,000**

Case Management Service Expenses - does not reduce the limit available

Legal Costs - reduces the limit available

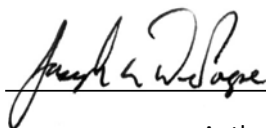
**Sub Limits:**

<b>\$5,000</b>	Lost Wages and Child/Elder Care
<b>\$1,000</b>	Mental Health Counseling
<b>\$1,000</b>	Miscellaneous Expenses

**Coverage Trigger:** Coverage is provided on a discovery basis with a 60-day reporting requirement**Claims:** For Recovery Assistance and Counseling, please call 1-800-945-4617

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Identity Recovery Coverage Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage document for actual coverage, terms, conditions, and exclusions.

Countersigned by: \_\_\_\_\_



Authorized Representative

Date: 9/26/2021

### General Liability Schedule Metropolitan District

**Policy Number:** POL-0009557  
**Named Member:** The Aurora Highlands Metropolitan  
District No. 3

**Coverage Period:** 1/1/2022 – EOD 12/31/2022  
**Broker:** TCW Risk Management

Code	Description	Unit	Amount	Effective Date	Expiration Date
1	1-Number of Skate Board Parks	Total	0.00	1/1/2022	12/31/2022
2	2-Number of Diving Boards	Total	0.00	1/1/2022	12/31/2022
3	3-Number of Water Slides	Total	0.00	1/1/2022	12/31/2022
4	4-Maximum Bond Issued	Dollars	0.00	1/1/2022	12/31/2022
5	5-Number of Bonds Issued	Total	0.00	1/1/2022	12/31/2022
20	20-Day Care Operations - Total Annual Payroll	Dollars	0.00	1/1/2022	12/31/2022
30	30-Number of EMT Personnel	Total	0.00	1/1/2022	12/31/2022
32	32-Paid Firefighters - (Not EMT)	Total	0.00	1/1/2022	12/31/2022
37	37-Pipe Line - Under Drain	Miles	0.00	1/1/2022	12/31/2022
39	39-Pipe Line	Miles	0.00	1/1/2022	12/31/2022
42	42-Pipe Line - Sewer	Miles	0.00	1/1/2022	12/31/2022
43	43-Pipe Line - Sewer / Storm Drainage Combined	Miles	0.00	1/1/2022	12/31/2022
50	50-Number of Teachers	Total	0.00	1/1/2022	12/31/2022
70	70-Number of Golf Courses	Total	0.00	1/1/2022	12/31/2022
80	80-Number of Go Cart Tracks	Total	0.00	1/1/2022	12/31/2022
98	98-Additional First Named Members	Total	0.00	1/1/2022	12/31/2022
105	105-Total Operating Expenses - Any other	Dollars	15,000.00	1/1/2022	12/31/2022
130	130-Total Operating Expenses - Park & Recreation	Dollars	0.00	1/1/2022	12/31/2022
131	131-Total Operating Expenses - Cemetery	Dollars	0.00	1/1/2022	12/31/2022

132	132-Total Operating Expenses - Soil & Water Conse	Dollars	0.00	1/1/2022	12/31/2022
133	133-Total Operating Expenses - Pest Control	Dollars	0.00	1/1/2022	12/31/2022
134	134-Total Operating Expenses - Hospital / Health	Dollars	0.00	1/1/2022	12/31/2022
135	135-Total Operating Expenses - Drainage	Dollars	0.00	1/1/2022	12/31/2022
136	136-Total Operating Expenses - Library	Dollars	0.00	1/1/2022	12/31/2022
137	137-Total Operating Expenses - Water Control	Dollars	0.00	1/1/2022	12/31/2022
138	138-Total Operating Expenses - Fire / Ambulance	Dollars	0.00	1/1/2022	12/31/2022
139	139-Total Operating Expenses - Water	Dollars	0.00	1/1/2022	12/31/2022
140	140-Total Operating Expenses - Irrigation	Dollars	0.00	1/1/2022	12/31/2022
141	141-Total Operating Expenses - Sanitation	Dollars	0.00	1/1/2022	12/31/2022
142	142-Total Operating Expenses - Transit	Dollars	0.00	1/1/2022	12/31/2022
143	143-Total Operating Expenses - Improvement	Dollars	0.00	1/1/2022	12/31/2022
151	151-Total Operating Expenses - Sanitation MW Discounted	Dollars	0.00	1/1/2022	12/31/2022
215	215-Buildings & Premises Occupied by District	Sq. Ft.	0.00	1/1/2022	12/31/2022
250	250-Number of Homes – Covenant Enforcement/Design Review Services under District Authority	Total	0.00	1/1/2022	12/31/2022
270	270-Number of Aboveground Storage Tanks (excluding water tanks)	Total	0.00	1/1/2022	12/31/2022
331	331-Number of Paid Firefighters - Full-Time	Total	0.00	1/1/2022	12/31/2022
332	332-Number of Paid Firefighters - Part-Time	Total	0.00	1/1/2022	12/31/2022
333	333-Number of Volunteer Firefighters	Total	0.00	1/1/2022	12/31/2022
334	334-Number of Paid EMT - Full-Time	Total	0.00	1/1/2022	12/31/2022
335	335-Number of Paid EMT - Part-Time	Total	0.00	1/1/2022	12/31/2022
341	341-Club/Recreation/Camp Volunteers	Total	0.00	1/1/2022	12/31/2022
342	342-Day Care Volunteers	Total	0.00	1/1/2022	12/31/2022
344	344-Event Organizer Volunteers	Total	0.00	1/1/2022	12/31/2022

345	345-General Volunteers	Total	0.00	1/1/2022	12/31/2022
348	348-Number of Board Members	Total	5.00	1/1/2022	12/31/2022
350	350-Number of Permanent Employees - Full-Time	Total	0.00	1/1/2022	12/31/2022
351	351-Number of Permanent Employees - Part-Time	Total	0.00	1/1/2022	12/31/2022
366	366-Total Payroll	Dollars	0.00	1/1/2022	12/31/2022
400	400-Class 1 Boats - Under 26'	Total	0.00	1/1/2022	12/31/2022
411	411-Total Water Delivered Annually - Millions of Gallons	MGAL	0.00	1/1/2022	12/31/2022
414	414-Playground/parks (Area)	Acres	0.00	1/1/2022	12/31/2022
415	415-Number of Grandstands/Stadiums	Total	0.00	1/1/2022	12/31/2022
420	420-Vacant Land	Acres	0.00	1/1/2022	12/31/2022
450	450-Miles of Road Maintained	Miles	0.00	1/1/2022	12/31/2022
522	522-Number of Ponds, Lakes & Reservoirs	Total	0.00	1/1/2022	12/31/2022
550	550-Fire Department Area Served	Sq Miles	0.00	1/1/2022	12/31/2022
671	671-Number of Parks	Total	0.00	1/1/2022	12/31/2022
710	710-Dams - Class 1 - Low Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2022	12/31/2022
712	712-Dams - Class 1 - Low Hazard - Number of Dams	Count	0.00	1/1/2022	12/31/2022
720	720-Dams - Class 2 - Med Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2022	12/31/2022
722	722-Dams - Class 2 - Med Hazard - Number of Dams	Count	0.00	1/1/2022	12/31/2022
730	730-Dams - Class 3 - High Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2022	12/31/2022
732	732-Dams - Class 3 - High Hazard - Number of Dams	Count	0.00	1/1/2022	12/31/2022
811	811-Number of Spillways	Total	0.00	1/1/2022	12/31/2022
900	900-Services Contracted out to Others	Dollars	0.00	1/1/2022	12/31/2022
924	924-Revenue from use of Swimming Pools	Dollars	0.00	1/1/2022	12/31/2022
925	925-Number of Swimming Pools	Total	0.00	1/1/2022	12/31/2022
945	945-Number of Sewage Taps	Total	0.00	1/1/2022	12/31/2022

946	946-Number of Water Mains or Connections	Total	0.00	1/1/2022	12/31/2022
947	947-Sewer and/or Sanitation Line Maintenance (budget)	Dollars	0.00	1/1/2022	12/31/2022
948	948-Water Line Maintenance (budget)	Dollars	0.00	1/1/2022	12/31/2022
997	997-Number of district sponsored Events/Fundraisers - No Alcohol Served	Total	0.00	1/1/2022	12/31/2022
998	998-Number of District sponsored Events/Fundraisers – With Alcohol Served	Total	0.00	1/1/2022	12/31/2022
999	999-Prior Acts Coverage Under a Previous “Claims Made” Policy	Premium	0.00	1/1/2022	12/31/2022

**If your district has exposures not listed on the General Liability schedule above, such as airplanes, security staff, bridges, drones, etc., please furnish details. Certain activities may be excluded or restricted.**

**Annual Comparison of 2022 and 2021 contributions.**  
**Loss Ratios based on participation years from 2014 to 2021**

**The Aurora Highlands Metropolitan District No. 3**

Year	Contribution
2022	\$2,021.00
2021	\$2,021.00
Difference	
% Difference	

General Liability	Contribution	TOE
Yr. 2022	\$520.00	\$15,000.00
Yr. 2021	\$520.00	\$15,000.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Equipment Breakdown	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%
<hr/>	

Auto Liability	Contribution	Auto Count
Yr. 2022	\$132.00	0
Yr. 2021	\$132.00	0
Difference		0
% Difference		0.00%
Loss Ratio		0.00%

Crime	Contribution
Yr. 2022	\$135.00
Yr. 2021	\$135.00
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Auto Physical Damage	Contribution	TIV
Yr. 2022	\$65.00	\$0.00
Yr. 2021	\$65.00	\$0.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Public Officials Liability	Contribution	EE Count
Yr. 2022	\$1,163.00	0
Yr. 2021	\$1,163.00	0
Difference		0
% Difference		0.00%
Loss Ratio		0.00%

Property/Inland Marine	Contribution	TIV
Yr. 2022	\$0.00	\$0.00
Yr. 2021	\$0.00	\$0.00
Difference		\$0.00
% Difference		0.00%
Loss Ratio		0.00%

Excess Liability	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Earthquake	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Flood	Contribution
Yr. 2022	\$0.00
Yr. 2021	\$0.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

No Fault	Contribution
Yr. 2022	\$6.00
Yr. 2021	\$6.00
<hr/>	
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

## Excess Liability Options Proposal For 2022

### This Proposal Does Not Bind Coverage

This report demonstrates what it would cost your district to increase coverage from your current limit of liability to a higher limit.

**Named Member:** The Aurora Highlands Metropolitan District No. 3

**Certificate Number:** POL-0009557

<u>Excess Limit</u>	<u>Annual Excess Contribution</u>	<u>Change in Contribution</u>
\$1,000,000	\$330	\$330
\$2,000,000	\$570	\$570
\$3,000,000	\$810	\$810
\$4,000,000	\$1,020	\$1,020
\$5,000,000	\$1,250	\$1,250
\$6,000,000	\$1,500	\$1,500
\$7,000,000	\$1,750	\$1,750
\$8,000,000	\$2,000	\$2,000

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**Note: This is not your Coverage Document. It was created solely for informational purposes.**

Sunday, September 26, 2021

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1  
ANNUAL BUDGET  
FOR YEAR ENDING DECEMBER 31, 2022

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/2/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 9,765	\$ -	\$ -	\$ -
REVENUES					
Property taxes	8,305	4,166	4,313	4,313	155,904
Property taxes - ARTA	60	31	31	31	1,112
Specific ownership taxes	605	290	522	696	10,991
Interest income	-	-	47	47	-
Other revenue	-	1,000	-	1,000	1,000
Total revenues	8,970	5,487	4,913	6,087	169,007
Total funds available	8,970	15,252	4,913	6,087	169,007
EXPENDITURES					
County Treasurer's fee	124	123	-	-	2,339
County Treasurer's fee - ARTA	1	1	-	-	17
Intergovernmental transfer - ARTA	59	89	32	32	1,095
Intergovernmental transfer - CAB	8,786	14,039	4,881	5,055	164,556
Contingency	-	1,000	-	1,000	1,000
Total expenditures	8,970	15,252	4,913	6,087	169,007
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/2/21

ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
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**ASSESSED VALUATION**

Vacant	\$ 37,750	\$ 53,030	\$ 53,030	\$ 53,030	\$ 2,000,530
Residential	65,560	-	-	-	-
Agricultural	5,340	2,310	2,310	2,310	40
Certified Assessed Value	<u>\$ 108,650</u>	<u>\$ 55,340</u>	<u>\$ 55,340</u>	<u>\$ 55,340</u>	<u>\$ 2,000,570</u>

**MILL LEVY**

General	75.277	77.930	77.930	77.930	77.930
ARI	0.556	0.556	0.556	0.556	0.556
Total mill levy	<u>75.833</u>	<u>78.486</u>	<u>78.486</u>	<u>78.486</u>	<u>78.486</u>

**PROPERTY TAXES**

General	\$ 8,179	\$ 4,313	\$ 4,313	\$ 4,313	\$ 155,904
ARI	60	31	31	31	1,112
Levied property taxes	8,239	4,344	4,344	4,344	157,016
Adjustments to actual/rounding	126	(147)	-	-	-
Budgeted property taxes	<u>\$ 8,365</u>	<u>\$ 4,197</u>	<u>\$ 4,344</u>	<u>\$ 4,344</u>	<u>\$ 157,016</u>

**BUDGETED PROPERTY TAXES**

General	\$ 8,305	\$ 4,166	\$ 4,313	\$ 4,313	\$ 155,904
ARI	60	31	31	31	1,112
	<u>\$ 8,365</u>	<u>\$ 4,197</u>	<u>\$ 4,344</u>	<u>\$ 4,344</u>	<u>\$ 157,016</u>

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District (formerly known as Green Valley Ranch East Metropolitan District No. 2) was organized by Court Order dated November 15, 2004, to provide financing for the construction and installation of public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District's service plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District ("AACMD") (formerly known as Green Valley Ranch East Metropolitan District No. 1), The Aurora Highlands Metropolitan District Nos. 2-3 ("TAH Nos. 2-3") (formerly known as Green Valley Ranch East Metropolitan District Nos. 3-4), Green Valley Ranch Aurora Metropolitan District No. 1 ("GVA No. 1") (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 6-8 (collectively the "Districts"). The District's service area is located in Adams County, Colorado, entirely within the City. The Court Order granting the District's name change to The Aurora Highlands Metropolitan District No. 1 was recorded on August 16, 2017.

On November 2, 2004, the District voters approved a mill levy increase to generate property taxes of up to \$5,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2005 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized in 2004 for all services and improvements was \$2,405,000,000. On November 8, 2016, the District voters approved a mill levy increase of up to \$4,000,000,000 annually to pay, in part, the District's general costs of operations and maintenance. The total debt authorized in 2016 for all services and improvements was \$52,000,000,000. The District's current service plan limits the total debt issuance to \$200,000,000, with a maximum debt mill levy of 50.000 mills.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the public improvements, and the repayment of the associated debt.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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 District believes are significant to the budget. There will usually be differences between the budget and actual result because events and circumstances frequently do not occur as expected, and those differences may be material.

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

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (Continued)**

AACMD, the City of Aurora and Adams County have established the Aerotropolis Regional Transportation Authority (“ARTA”), pursuant to an intergovernmental agreement entered on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Beginning in 2019, ARTA will impose an ARTA Mill Levy on the District. The District will deposit revenues from the ARTA Mill Levy with AACMD to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements (“ARI”) Mill Levy and will deposit the ARI Mill Levy revenues with AACMD to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

On November 21, 2019, the District, AACMD, TAH Nos. 2 and 3, and ATEC Metropolitan District Nos. 1 and 2 (“ATEC Nos. 1 and 2”, and collectively with the District, AACMD and TAH Nos. 2 and 3, the “CAB Districts”) formed The Aurora Highlands Community Authority Board (“CAB”) pursuant to intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefiting the CAB Districts and their residents and owners.

**Revenues**

**Property Taxes**

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**Property Taxes ARI**

ARTA imposes a mill levy of 5.000 mills for payment of the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements as contemplated by ARTA (see “Services Provided” above). The District has agreed to levy an additional 0.556 mills due to a change in calculating the residential assessed valuation.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget at the mill levy adopted by the District, which includes the ARI mill levy.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue (Continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Expenditures**

**Administrative Expenditures**

The District is a member of the CAB. The District will transfer its net General Fund revenues to the CAB. In return, the CAB will provide all the administrative and operating expenditures, which include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and meeting expenses.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections, including the property taxes collected for ARTA.

**Intergovernmental Transfer CAB**

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement. Pursuant to the Mill Levy Policy Agreement, the District agrees to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the Residential Capital Pledged Agreement (described below).

On June 30, 2020, the District entered into the Residential Capital Pledge Agreements (the RCPA) with the CAB and Zions Bancorporation, National Association, in its capacity as trustee under the 2020A and 2020B Bonds Indentures ("the Indentures"). On October 28, 2021, the RCPA was terminated as a part of the 2021 Series A and 2021 Series B Bond issuances, and the Revenue Pledge Agreement was approved (the "RPA"). Per the RPA, the District agrees to pay such portion of their operations and financing costs as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue to the extent available to the Districts pursuant to the provisions of the RPA and the Amended Mill Levy Policy Agreement

**Intergovernmental Transfer ARTA**

Per the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levy, AACMD requires that the District transfer all revenues derived from ARI Mill Levy to ARTA within sixty (60) days of the District's receipt.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all TABOR eligible funds received by the District are transferred to the CAB, which pays for the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget. It is reflected in the Emergency Reserve of the CAB.

**This information is an integral part of the accompanying budget.**

# THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1

## RESOLUTION TO ADOPT 2022 BUDGET

WHEREAS, the Board of Directors (“**Board**”) of The Aurora Highlands Metropolitan District No. 1 (“**District**”) has appointed a budget committee to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2021 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 4, 2021, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 1:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	49,851
Debt Service Fund:	\$	120,156
Total	\$	170,007

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$4,196
From general property tax	\$45,655
Total	<hr/> \$49,851

Debt Service Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$8,795
From general property tax	\$111,361
Total	<u>\$120,156</u>

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of The Aurora Highlands Metropolitan District No. 1 for the 2022 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$45,655; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$111,361; and

WHEREAS, the 2021 valuation for assessment of the District, as certified by the County Assessor, is \$2,000,570.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 1:

1. That for the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 22.821 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$45,655.

2. That for the purpose of meeting all debt service expenses of the District during the 2022 budget year, there is hereby levied a property tax of 55.664 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$111,361.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

### TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 1 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$49,851
Debt Service Fund:	\$120,156
Total	\$170,007

Adopted this 4<sup>th</sup> day of November, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 1

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2022

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/1/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	-	3	-	3	3
Other revenue	-	100	-	100	100
Total revenues	-	103	-	103	103
Total funds available	-	103	-	103	103
EXPENDITURES					
General and administrative					
Intergovernmental transfer - CAB	-	3	-	3	3
Contingency	-	100	-	100	100
Total expenditures	-	103	-	103	103
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/1/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>					
Agricultural	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
Certified Assessed Value	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
<b>MILL LEVY</b>					
General	0.000	77.930	77.930	77.930	77.930
ARI	0.000	0.000	0.000	0.000	0.556
Total mill levy	0.000	77.930	77.930	77.930	78.486
<b>PROPERTY TAXES</b>					
General	\$ -	\$ 3	\$ 3	\$ 3	\$ 3
ARI	-	-	-	-	-
Levied property taxes	-	3	3	3	3
Adjustments to actual/rounding	-	-	(3)	-	-
Budgeted property taxes	\$ -	\$ 3	\$ -	\$ 3	\$ 3
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ -	\$ 3	\$ -	\$ 3	\$ 3
ARI	-	-	-	-	-
	\$ -	\$ 3	\$ -	\$ 3	\$ 3

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District (formerly known as Green Valley Ranch East Metropolitan District No. 3) was organized by Court Order dated November 15, 2004, to provide financing for the construction and installation of public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District's service plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District ("AACMD") (formerly known as Green Valley Ranch East Metropolitan District No. 1), The Aurora Highlands Metropolitan District Nos. 1 and 3 ("TAH Nos. 1 and 3") (formerly known as Green Valley Ranch East Metropolitan District Nos. 2 and 4), Green Valley Aurora Metropolitan District No. 1 ("GVA No. 1") (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 6-8 (collectively the "Districts"). The District's service area is located in Adams County, Colorado, entirely within the City. The Court Order granting the District's name change to The Aurora Highlands Metropolitan District No. 2 was recorded on August 16, 2017.

On November 2, 2004, the District voters approved a mill levy increase to generate property taxes of up to \$5,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2005 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized in 2004 for all services and improvements was \$2,405,000,000. On November 8, 2016, the District voters approved a mill levy increase of up to \$4,000,000,000 annually to pay, in part, the District's general costs of operations and maintenance. The total debt authorized in 2016 for all services and improvements was \$52,000,000,000. The District's current service plan limits the total debt issuance to \$200,000,000, with a maximum debt mill levy of 50.000 mills.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the public improvements, and the repayment of the associated debt.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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 District 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 budgets are in accordance with the TABOR Amendment limitation. Emergency Reserves required under TABOR have been provided.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (Continued)**

AACMD, the City of Aurora and Adams County have established the Aerotropolis Regional Transportation Authority (“ARTA”), pursuant to an intergovernmental agreement entered on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Beginning in 2019, ARTA will impose an ARTA Mill Levy on the District. The District will deposit revenues from the ARTA Mill Levy with AACMD to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements (“ARI”) Mill Levy and will deposit ARI Mill Levy revenues with AACMD to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

On November 21, 2019, the District, AACMD, TAH Nos. 1 and 3, and ATEC Metropolitan District Nos. 1 and 2 (“ATEC Nos. 1 and 2”, and collectively with the District, AACMD and TAH Nos. 1 and 3, the “CAB Districts”) formed The Aurora Highlands Community Authority Board (“CAB”) pursuant to intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefiting the CAB Districts and their residents and owners.

**Revenues**

**Property Taxes**

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**Property Taxes ARI**

ARTA imposes a mill levy of 5.000 mills for payment of the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements as contemplated by ARTA (see “Services Provided” above). The District has agreed to levy an additional 0.556 mills due to a change in calculating the residential assessed valuation.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget at the mill levy adopted by the District, which includes the ARI mill levy.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative Expenditures**

The District is a member of the CAB. The CAB will provide all the administrative and operating expenditures, which include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and meeting expenses.

**Intergovernmental Transfer CAB**

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement. Pursuant to the Mill Levy Policy Agreement, the District agrees to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the Residential Capital Pledged Agreement (described below).

On June 30, 2020, the District entered into the Residential Capital Pledge Agreements (the RCPA) with the CAB and Zions Bancorporation, National Association, in its capacity as trustee under the 2020A and 2020B Bonds Indentures ("the Indentures"). On October 28, 2021, the RCPA was terminated as a part of the 2021 Series A and 2021 Series B Bond issuances, and the Revenue Pledge Agreement was approved (the "RPA"). Per the RPA, the District agrees to pay such portion of their operations and financing costs as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue to the extent available to the Districts pursuant to the provisions of the RPA and the Amended Mill Levy Policy Agreement.

**Intergovernmental Transfer ARTA**

Per the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levy, AACMD requires that the District transfer all revenues derived from ARI Mill Levy to ARTA within sixty (60) days of the District's receipt.

**Debt and Leases**

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District has no TABOR eligible revenues, no Emergency Reserve has been provided.

**This information is an integral part of the accompanying budget.**

## THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2

### RESOLUTION TO ADOPT 2022 BUDGET

WHEREAS, the Board of Directors (“**Board**”) of The Aurora Highlands Metropolitan District No. 2 (“**District**”) has appointed a budget committee to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2021 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 4, 2021, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	101
Debt Service Fund:	\$	102
Total	\$	203

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$100
From general property tax	\$1
Total	\$101

Debt Service Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$100
From general property tax	\$2
Total	<hr/> \$102

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of The Aurora Highlands Metropolitan District No. 2 for the 2022 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$101; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$102; and

WHEREAS, the 2021 valuation for assessment of the District, as certified by the County Assessor, is \$40.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 2:

1. That for the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 22.265 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$1.

2. That for the purpose of meeting all debt service expenses of the District during the 2022 budget year, there is hereby levied a property tax of 55.664 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$2.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

### TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:		\$101
Debt Service Fund:		\$102
	Total	\$203

Adopted this 4<sup>th</sup> day of November, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 2

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3  
ANNUAL BUDGET  
FOR YEAR ENDING DECEMBER 31, 2022

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/1/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	-	3	3	3	3
Other revenue	-	100	-	100	100
Total revenues	-	103	3	103	103
Total funds available	-	103	3	103	103
EXPENDITURES					
General and administrative					
Intergovernmental transfer- CAB	-	3	3	3	3
Contingency	-	100	-	100	100
Total expenditures	-	103	3	103	103
Total expenditures and transfers out requiring appropriation	-	103	3	103	103
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/1/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>					
Agricultural	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
Certified Assessed Value	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 40</u>
<b>MILL LEVY</b>					
General	0.000	77.930	77.930	77.930	77.930
ARI	0.000	0.000	0.000	0.000	0.556
Total mill levy	<u>0.000</u>	<u>77.930</u>	<u>77.930</u>	<u>77.930</u>	<u>78.486</u>
<b>PROPERTY TAXES</b>					
General	\$ -	\$ 3	\$ 3	\$ 3	\$ 3
ARI	-	-	-	-	-
Levied property taxes	-	3	3	3	3
Adjustments to actual/rounding	-	-	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ -	\$ 3	\$ 3	\$ 3	\$ 3
ARI	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District (formerly known as Green Valley Ranch East Metropolitan District No. 4) was organized by Court Order dated November 15, 2004, to provide financing for the construction and installation of public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District's service plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District ("AACMD") (formerly known as Green Valley Ranch East Metropolitan District No. 1), The Aurora Highlands Metropolitan District Nos. 1 and 2 ("TAH Nos. 1-2") (formerly known as Green Valley Ranch East Metropolitan District Nos. 2 and 3), Green Valley Aurora Metropolitan District No. 1 ("GVA No. 1") (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 6-8 (collectively the "Districts"). It is anticipated that the Districts will enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction, and operation of the regional public improvements. The District's service area is located in Adams County, Colorado, entirely within the City. The Court Order granting the District's name change to The Aurora Highlands Metropolitan District No. 3 was recorded on August 16, 2017.

On November 2, 2004, the District voters approved a mill levy increase to generate property taxes of up to \$5,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2005 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized in 2004 for all services and improvements was \$2,405,000,000. On November 8, 2016, the District voters approved a mill levy increase of up to \$4,000,000,000 annually to pay, in part, the District's general costs of operations and maintenance. The total debt authorized in 2016 for all services and improvements was \$52,000,000,000. The District's current service plan limits the total debt issuance to \$4,000,000,000, with a maximum debt mill levy of 50.000 mills, which can be adjusted for changes in the methods of calculating assessed valuation after January 1, 2006.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the public improvements, and the repayment of the associated debt.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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 District 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 AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (Continued)**

AACMD, the City of Aurora and Adams County have established the Aerotropolis Regional Transportation Authority (“ARTA”), pursuant to an intergovernmental agreement entered into on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Beginning in 2019, ARTA will impose an ARTA Mill Levy on the District. The District will deposit revenues from the ARTA Mill Levy with AACMD to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements (“ARI”) Mill Levy and will deposit the ARI Mill Levy revenues with AACMD to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

On November 21, 2019, the District, AACMD, TAH Nos. 1 and 2, and ATEC Metropolitan District Nos. 1 and 2 (“ATEC Nos. 1 and 2”, and collectively with the District, AACMD and TAH Nos. 1 and 2, the “CAB Districts”) formed The Aurora Highlands Community Authority Board (“CAB”) pursuant to intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefiting the CAB Districts and their residents and owners.

**Revenues**

**Property Taxes**

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**Property Taxes ARI**

ARTA imposes a mill levy of 5.000 mills for payment of the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements as contemplated by ARTA (see “Services Provided” above). The District has agreed to levy an additional 0.556 mills due to a change in calculating the residential assessed valuation.

The calculation of the taxes levied is displayed on the Property Tax Summary Page of the budget using the adopted mill levy imposed by the District.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative Expenditures**

The District is a member of the CAB. The CAB will provide all the administrative and operating expenditures, which include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and meeting expenses.

**Intergovernmental Transfer CAB**

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement that was amended on October 28, 2021. Pursuant to the Mill Levy Policy Agreement, the District agrees to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the Revenue Pledged Agreement (described below).

On June 30, 2020, the District entered into the Residential Capital Pledge Agreements (the RCPA) with the CAB and Zions Bancorporation, National Association, in its capacity as trustee under the 2020A and 2020B Bonds Indentures ("the Indentures"). On October 28, 2021, the RCPA was terminated as a part of the 2021 Series A and 2021 Series B Bond issuances, and the Revenue Pledge Agreement was approved (the "RPA"). Per the RPA, the District agrees to pay such portion of their operations and financing costs as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue to the extent available to the Districts pursuant to the provisions of the RPA and the Amended Mill Levy Policy Agreement.

**Intergovernmental Transfer ARTA**

Per the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levy, AACMD requires that the District transfer all revenues derived from ARI Mill Levy to ARTA within sixty (60) days of the District's receipt.

**Debt and Leases**

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District has no TABOR eligible revenues, no Emergency Reserve has been provided.

**This information is an integral part of the accompanying budget.**

## THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3

### RESOLUTION TO ADOPT 2022 BUDGET

WHEREAS, the Board of Directors (“**Board**”) of The Aurora Highlands Metropolitan District No. 3 (“**District**”) has appointed a budget committee to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2021 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 4, 2021, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 3:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	101
Debt Service Fund:	\$	102
Total	\$	203

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$100
From general property tax	\$1
Total	\$101

Debt Service Fund:

From unappropriated surpluses	\$0
From fund transfers	\$0
From sources other than general property tax	\$100
From general property tax	\$2
Total	<hr/> \$102

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of The Aurora Highlands Metropolitan District No. 3 for the 2022 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$101; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$102; and

WHEREAS, the 2021 valuation for assessment of the District, as certified by the County Assessor, is \$40.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 3:

1. That for the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 22.265 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$1.

2. That for the purpose of meeting all debt service expenses of the District during the 2022 budget year, there is hereby levied a property tax of 55.664 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$2.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

### TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands Metropolitan District No. 3 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$101	
Debt Service Fund:	\$102	
	\$203	
Total		

Adopted this 4<sup>th</sup> day of November, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 3

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

# **EXECUTIVE SUMMARY OF REVENUE PLEDGE AGREEMENTS AND DISTRICT MILL LEVIES**

## **Revenue Pledge Agreements**

### **1. Six Revenue Pledge Agreements**

#### **a. Parties:**

i. The Aurora Highlands Community CAB Board (the “**CAB**”) and one agreement for each of the Aerotropolis Area Coordinating Metropolitan District (“**AACMD**”); ATEC Metropolitan District Nos. 1 and 2 (“**ATEC Nos. 1 and 2**”); and The Aurora Highlands Metropolitan District Nos. 1, 2, and 3 (“**TAH Nos. 1, 2, and 3**”).

#### **b. Material Terms:**

i. These Revenue Pledge Agreements will amend and replace the existing Capital Pledge Agreements entered into in 2020.

ii. Pursuant to each Revenue Pledge Agreement, each District agrees to impose a “Required Debt Service Mill Levy” and to remit the “Revenues” collected therefrom to pay and secure the CAB’s Bond obligations. The decision as to when to issue Bonds and what Revenues to pledge for the repayment of each Bond issuance is made by in the sole discretion of the CAB.

iii. Required Debt Service Mill Levies are to be imposed commencing in the “First Debt Service Mill Levy Imposition Year,” based on the triggers described on the chart attached.

iv. Each District also agrees to impose a “Required Operations Mill Levy” in the amounts as set forth on the chart attached, which amounts are reduced by the Required Debt Service Mill Levy when the triggers set forth on the chart attached occur.

v. The Revenue from the Required Debt Service Mill Levy constitute an indebtedness of each District as contemplated under Section 32-1-503, C.R.S., and any property included into one of the District’s will remain liable for the imposition of the Required Debt Service Mill Levy for that District even if it is later excluded from the District’s boundaries; unless, however, such excluded property is then included into one of the other Districts that has entered into a Revenue Pledge Agreement, or into another metropolitan district that has become a member of the CAB and has entered into a Revenue Pledge Agreement that meets the requirements of the excluding District’s Revenue Pledge Agreement, in which case it will only be liable for the Required Debt Service Mill Levy of the including District.

c. **Summary:** Each of the Districts agrees to impose a Required Debt Service Mill Levy and pledges the Revenue resulting from (i) the property tax revenues, (ii) specific ownership tax revenues, and (iii) PILOT revenues received resulting from the Required Debt Service Mill Levy to the CAB for use by the CAB in repayment of the CAB’s Bonds. In addition, each of the District’s agrees to impose a Required Operations Mill Levy and pledges

the Revenue resulting from (i) the property tax revenues, (ii) specific ownership tax revenues, and (iii) PILOT revenues received resulting from the Required Operations Mill Levy to the CAB for use by the CAB in payment of the CAB's administration, operations and maintenance expenses. Property will be included into each District's boundaries pursuant to the terms of one or more Amended and Restated Inclusion Agreement(s), which were approved on October 28, 2021.

d. **Action:** Review and approval by the Board of Directors of AACMD, ATEC No. 1, ATEC No. 2, TAH No. 1, TAH No. 2 and TAH No. 3 at the Special Board Meeting to be held on November 4, 2021.

**EXECUTIVE SUMMARY OF REVENUE PLEDGE AGREEMENTS  
AND DISTRICT MILL LEVIES**

<b><u>DISTRICT</u></b>	<b><u>MILL LEVIES<sup>1</sup></u></b>								
	<b><u>Pre-Trigger</u></b>				<b><u>Trigger</u></b>	<b><u>Post-Trigger</u></b>			
	<b>General Operating</b>	<b>Debt Service</b>	<b>ARI<sup>3</sup> (ARTA)</b>	<b>TOTAL</b>		<b>General Operating</b>	<b>Debt Service</b>	<b>ARI<sup>3</sup> (ARTA)</b>	<b>TOTAL</b>
<b>AACMD</b>	0.000	0.000	0.000	0.000	\$10,00,000 AV	55.664	22.266	0.556	78.486
<b>ATEC No. 1</b>	35.000	0.000	0.000	35.000	Mill Levy imposition year 2024, collection year 2025	6.000	29.000	0.000	35.000
<b>ATEC No. 2</b>	35.000	0.000	0.000	35.000	Mill Levy imposition year 2024, collection year 2025	6.000	29.000	0.000	35.000
<b>TAH No.1<sup>2</sup></b>	77.930	0.000	0.556	78.486	Mill Levy imposition year 2024, collection year 2025	55.664	22.266	0.556	78.486
<b>TAH No. 2<sup>2</sup></b>	77.930	0.000	0.556	78.486	\$10,00,000 AV	55.664	22.266	0.556	78.486
<b>TAH No. 3<sup>2</sup></b>	77.930	0.000	0.556	78.486	\$10,00,000 AV	55.664	22.266	0.556	78.486

<sup>1</sup> All Mill Levies are subject to change if the Residential Assessment Ratio is increased or decreased in future years.

<sup>2</sup> Mill Levies for all Residential Districts are subject to Gallagher Adjustment. In 2022, Residential District Mill Levies are adjusted to 77.930 for the General/Operating Fund and 0.556 for the ARI (ARTA) Mill Levy.

<sup>3</sup> Pursuant to the IGAs Regarding Imposition, Collection, and Transfer of ARI Mill Levies, each District is to levy 5.000 mills *plus* applicable Gallagher Adjustment *less* the mill levy imposed by ARTA. In 2022, this results in an ARI (ARTA) Mill Levy of 0.556 for Residential Districts and 0.000 for Commercial Districts.

**REVENUE PLEDGE AGREEMENT (DISTRICT NO. 1)**

***BETWEEN***

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**

***AND***

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**

**DATED DECEMBER \_\_, 2021**

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**REVENUE PLEDGE AGREEMENT  
(DISTRICT NO. 1)**

This **REVENUE PLEDGE AGREEMENT (DISTRICT NO. 1)** (this “Agreement”), is entered into on this \_\_\_\_ day of December, 2021, between **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**, a political subdivision and public corporation duly organized and existing as a separate legal entity under the constitution and laws of the State of Colorado (the “Authority”), and **THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 1”).

All capitalized terms used in and not otherwise defined in the recitals below shall have the respective meanings ascribed to such terms in Section 1.02 hereof.

On the Effective Date, this Agreement shall supersede and replace in its entirety that certain District No. 1 Residential Capital Pledge Agreement dated June 30, 2020 by and among the Authority, District No. 1, and Zions Bancorporation, National Association (the “Prior Agreement”).

**RECITALS**

WHEREAS, the Authority is a political subdivision and public corporation duly organized and existing as a separate legal entity under the constitution and laws of the State of Colorado (the “State”), including particularly the Act; and

WHEREAS, District No. 1 is a quasi-municipal corporation and political subdivision of the State duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly the Special District Act; and

WHEREAS, District No. 1 was organized by an Order and Decree of the District Court for Adams County, Colorado (the “District Court”), issued on November 15, 2004 and recorded in the public records of the Clerk and Recorder of Adams County, Colorado, on December 7, 2004; and

WHEREAS, District No. 1 petitioned for and received an Order Granting Petition for Name Change on August 14, 2017 from the District Court changing District No. 1’s name from Green Valley Ranch East Metropolitan District No. 2 to The Aurora Highlands Metropolitan District No. 1; and

WHEREAS, the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 was approved by the City Council of the City of Aurora, Colorado (the “City”), pursuant to Resolution No. R2017-69 adopted on October 16, 2017 (the “Service Plan”); and

WHEREAS, District No. 1 and the other Financing Districts are authorized by the Special District Act to furnish certain public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, stormwater, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission

in accordance with and subject to the limitations of their respective Service Plans (the “Authorized Improvements”); and

WHEREAS, District No. 1 and the other Financing Districts were formed for the purpose of, among other things, providing the Authorized Improvements; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., District No. 1, the other Financing Districts, and the Authority may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract (including the CABEA, defined below) may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt, and any such contract may be entered into for any period, notwithstanding any provision of law limiting the length of any financial contracts or obligations of governmental entities or authorities such as District No. 1, the other Financing Districts, and the Authority; and

WHEREAS, District No. 1, the other Financing Districts, and the Authority have entered into that certain First Amended and Restated Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 16, 2020 (the “CABEA”), pursuant to which the Authority was formed and certain goals, duties and obligations of the Financing Districts were established; and

WHEREAS, under their respective Service Plans and the CABEA, the Financing Districts and the Authority are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of the Authorized Improvements serving and supporting development within the Service Area of the Authority, including within the Financing Districts, The Aurora Highlands Development and the Aurora Tech Center Development (collectively, the “Developments”); and

WHEREAS, the Authority and the Financing Districts have developed a long term financing plan to fund the Authorized Improvements serving and supporting the Developments (collectively, the “Public Improvements”), which plan contemplates the issuance by the Authority from time to time of bonds and other obligations to finance and refinance such Public Improvements, and which plan contemplates updates from time to time by the Authority to take into account changing real estate and financial markets, construction costs, availability of construction materials and such other matters as may arise over an extended period of time (as so amended from time to time, the “Long Term Capital Improvements Plan”); and

WHEREAS, District No. 1 and the Authority have determined that the Public Improvements anticipated to be financed pursuant to the Long Term Capital Improvements Plan are needed and, due to the nature of the Public Improvements and proximity and interrelatedness of the Developments anticipated to occur within the Service Area of the Authority, will benefit the residents, property owners and taxpayers in District No. 1, in addition to the residents, occupants, property owners and taxpayers in the other Financing Districts; and

WHEREAS, Aurora Tech Center Development, LLC, a Colorado limited liability company (“ATEC Development LLC”), is the owner of certain real property located in the

Service Area of the Authority and commonly known as Aurora Tech Center (the “Aurora Tech Center Development”); and

WHEREAS, ATEC Development LLC has constructed or has caused the construction of certain Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, and is anticipated to construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts; and

WHEREAS, Aurora Highlands, LLC, a Nevada limited liability company (“Aurora Highlands LLC”), is an owner of certain real property located in the Service Area of the Authority and commonly known as The Aurora Highlands (“The Aurora Highlands Development” or “Aurora Highlands Development”), and has constructed or caused the construction of certain Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, and is anticipated to construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts; and

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) and the Boards of Directors of each of the Financing Districts (collectively, the “Governing Boards”) have determined that it is necessary to pay and/or reimburse ATEC Development LLC and Aurora Highlands LLC for the costs of such Public Improvements; and

WHEREAS, the Governing Boards have also determined that in the future other property owners, developers, homebuilders and others may also construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, in furtherance of carrying out the Long Term Capital Improvements Plan; and

WHEREAS, for the purpose of financing and refinancing Public Improvements in furtherance of effectuating the Long Term Capital Improvements Plan, the Governing Boards have determined that the Authority shall from time to time issue bonds or other indebtedness (as more particularly defined in Section 1.02, hereof, the “CAB Obligations”); and

WHEREAS, for the purpose of providing funds to pay and secure CAB Obligations issued from time to time by the Authority, the Governing Boards have determined that each of the Financing Districts shall impose their respective debt service mill levies, and shall transfer the revenue derived therefrom to the Authority for application by the Authority in the manner determined by the Authority, in its sole discretion; provided that the Authority acknowledges that State law imposes restrictions on revenue derived from imposition of debt service mill levies; and

WHEREAS, for the purpose of funding from time to time the costs and expenses of the Authority relating to administration, operations, maintenance, and other general purposes (as more particularly defined in Section 1.02 hereof, the “CAB Operating Costs”), the Governing Boards have determined that each of the Financing Districts shall impose their respective operations and maintenance mill levies, and shall transfer the revenue derived therefrom to the Authority for application by the Authority in the manner determined by the Authority, in its sole discretion; and

WHEREAS, at an election of the eligible electors of District No. 1 duly called and held on November 8, 2016 in accordance with law and pursuant to due notice (the “District No. 1 Election”), a majority of eligible electors voting at such election voted in favor of, *inter alia*, the ad valorem property taxation by District No. 1 for the purposes of deriving revenue for payment of administration, operations and maintenance costs, and the entering into of one or more intergovernmental agreements by District No. 1 and issuance of debt and imposition of taxes for the payment thereof for the purpose of funding certain improvements and facilities, the ballot questions relating thereto being attached as Exhibit A hereto; and

WHEREAS, the returns of the District No. 1 Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the District No. 1 Election were certified by District No. 1 by certified mail to the governing body of a municipality that has adopted a resolution of approval of District No. 1 pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S., within 45 days after the District No. 1 Election; and

WHEREAS, pursuant to the District No. 1 Election, District No. 1 has the following amounts of voted authorization for the following purposes:

<b>Voted Debt Authorization District No. 1 Election</b>	
<b>Purpose</b>	<b>Principal Amount</b>
Street	\$4,000,000,000
Traffic and Safety	4,000,000,000
Water	4,000,000,000
Sanitation	4,000,000,000
Parks and recreation	4,000,000,000
Transportation	4,000,000,000
Mosquito Control	4,000,000,000
Fire Protection	4,000,000,000
Security	4,000,000,000
Television Relay and Translation	4,000,000,000
Intergovernmental Agreements	4,000,000,000
<b>TOTAL</b>	<b>\$44,000,000,000</b>

WHEREAS, regardless of its debt authorization pursuant to the District No. 1 Election, the District’s Service Plan limits the total debt permitted to be issued by District No. 1 to \$4,000,000,000; and

WHEREAS, the Board of District No. 1 (the “Board”) has determined that District No. 1 shall impose its debt service mill levies and its operations mill levies in the amounts, at the times and as otherwise provided in this Agreement for the purposes of providing revenue to the

Authority to pay and secure CAB Obligations and to fund CAB Operating Costs, and District No. 1 shall transfer all such revenue to or at the direction of the Authority as soon as practicable after the receipt thereof (as more particularly defined in Section 1.02 hereof, the “Payment Obligation”); and

WHEREAS, the Board has determined that the execution and delivery of this Agreement and the performance of its obligations hereunder are in the best interests of District No. 1, its residents, its property owners, and its taxpayers; and

WHEREAS, the Authority shall in its sole discretion, subject to applicable law and the terms of the CABEA, determine how the moneys transferred to the Authority by District No. 1 in furtherance of satisfying District No. 1’s Payment Obligation hereunder shall be expended; provided, however, that in no event shall the Payment Obligation of District No. 1 hereunder exceed, in the aggregate, the limits set forth herein; and

WHEREAS, the Payment Obligation of District No. 1 made pursuant to this Agreement is made and issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan for District No. 1, and all other laws hereunto enabling; and

WHEREAS, Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”) provides that all or any provisions of the Supplemental Act may be applied by any public entity (which public entity includes any district organized or acting pursuant to the provisions of the Special District Act, such as District No. 1, and any authority organized or acting pursuant to the Act, such as the Authority) to securities (which securities include any financial contract authorized to be issued by such public entity under other laws of the State, such as this Agreement) issued by such public entity if the issuing authority (being the governing body of any public entity in which the laws of the State vest the authority to issue securities through an act of issuance) of such public entity elects in an act of issuance to so apply all or any provisions of the Supplemental Act to the issuance of such securities; and

WHEREAS, District No. 1 and the Authority specifically elect to apply all of the provisions of the Supplemental Act to this Agreement and the Payment Obligation other than the provisions of 11-57-207(1)(a), C.R.S., relating to a forty-year maturity with respect to securities issued by a public entity, which shall not apply to this Agreement nor to the Payment Obligation of District No. 1 hereunder; and

WHEREAS, the Board of District No. 1 hereby determines to allocate the maximum principal amount of its Payment Obligation under this Agreement as set forth below, provided, however, that such allocation is subject to change if the Board determines that an alternative allocation is necessary in order to effectuate the transactions contemplated under this Agreement and the CABEA, and any such variance shall not require an amendment to this Agreement or notice to or consent of any person; provided, however, that District No. 1 shall make (or cause to be made) the appropriate notations and updates as to the actual uses of such electoral authorization in its annual audited financial statements:

<b>District No. 1 Election Allocation of Voted Authorization</b>			
<b>Purpose</b>	<b>Voted Authorization Available</b>	<b>Voted Authorization Allocated to Revenue Pledge Agreement (District No. 1)</b>	<b>Voted Authorization Remaining</b>
Street	\$4,000,000,000	\$-0-	\$4,000,000,000
Traffic and Safety	4,000,000,000	-0-	4,000,000,000
Water	4,000,000,000	-0-	4,000,000,000
Sanitation	4,000,000,000	-0-	4,000,000,000
Parks and recreation	4,000,000,000	-0-	4,000,000,000
Transportation	4,000,000,000	-0-	4,000,000,000
Mosquito Control	4,000,000,000	-0-	4,000,000,000
Fire Protection	4,000,000,000	-0-	4,000,000,000
Security	4,000,000,000	-0-	4,000,000,000
Television Relay and Translation	4,000,000,000	-0-	4,000,000,000
Intergovernmental Agreements	4,000,000,000	4,000,000,000	-0-
<b>TOTAL</b>	<b><u>\$44,000,000,000</u></b>	<b><u>\$4,000,000,000</u></b>	<b><u>\$40,000,000,000</u></b>

; and

WHEREAS, the District has duly authorized the execution and delivery of this Agreement; and

WHEREAS, upon the execution and delivery of this Agreement, the Prior Agreement shall terminate, be cancelled, and no longer be in force or effect; and

WHEREAS, all things necessary to make this Agreement the valid obligation of the District, in accordance with their and its terms, have been done.

## **COVENANTS**

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01. Interpretation.** In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement, the term “now” means the date of execution of this Agreement, and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals hereto and Section 1.02 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

**Section 1.02. Definitions.** As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout this Agreement shall have the respective meanings set forth in the Recitals hereto and below:

“*Act*” means Title 29, Article 1, Part 2, C.R.S.

“*Additional District*” means an Eligible District the property within which has been or is planned to be developed for non-residential uses and/or Alternative Residential Uses.

“*Additional District Required Debt Service Mill Levy*” means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 29 mills; *provided, however*, that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation with respect to any class or classes of property (as classified by the County Assessor) upon which the Additional District is authorized to impose its mill levy, or any constitutionally mandated tax credit, cut or abatement having an impact on any class or classes of property upon which the Additional District is authorized to impose its mill levy, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional District Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional District’s electoral authorization, and if the Additional District Required Debt Service Mill Levy as calculated pursuant to the

foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional District's electoral authorization or create a material departure from its service plan, the Additional District Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional District's service plan occurs.

*"Additional District Required Operations Mill Levy"* means:

(a) Subject to paragraphs (b) and (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Additional District each year in the amount of 35 mills *less* the number of mills equal to the applicable Additional District Required Debt Service Mill Levy; *provided, however*, that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation with respect to any class or classes of property (as classified by the County Assessor) upon which the Additional District is authorized to impose its mill levy, or any constitutionally mandated tax credit, cut or abatement having an impact on any class or classes of property upon which the Additional District is authorized to impose its mill levy, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) If the Authority determines that the number of mills to be imposed by the Additional District in the current tax levy year as calculated pursuant to paragraph (a) above would derive tax revenue in the related tax collection year in an amount greater than the amount of revenue necessary to fund the CAB Operations Annual Budget for the Fiscal Year corresponding to such tax collection year and if, prior to December 1 of such tax levy year, the Authority provides to the Additional District a writing directing the Additional District to impose a mill levy of fewer mills than would otherwise be imposed if calculated pursuant to paragraph (a) above and such writing specifies the number of mills to be imposed by the Additional District in such tax levy year, the Additional District may impose such lesser number of mills as set forth in such writing from the Authority and such lesser number of mills shall constitute the Additional District Required Operations Mill Levy for that tax levy year.

(c) Notwithstanding anything herein to the contrary, in no event may the Additional District Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional District's electoral authorization, and if the Additional District Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional District's electoral authorization or create a material departure from its service plan, the Additional District Required Operations Mill

Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional District's service plan occurs.

*"Additional District Revenue Pledge Agreement"* means an agreement between an Additional District and the Authority having substantially the same terms as this Agreement, the revenue from which the Authority has pledged to CAB Obligations which constitute the same CAB Obligations to which the Authority has pledged the District No. 1 Debt Service Revenues.

*"Additional Residential District"* means an Eligible District the property within which has been or is planned to be developed for residential uses *other than* Alternative Residential Uses.

*"Additional Residential District Required Debt Service Mill Levy"* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional Residential District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 50 mills; *provided, however*, 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, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional Residential District Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional Residential District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional Residential District's electoral authorization, and if the Additional Residential District Required Debt Service Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional Residential District's electoral authorization or create a material departure from its service plan, the Additional Residential District Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional Residential District's service plan occurs.

*"Additional Residential District Required Operations Mill Levy"* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional Residential District each year in the amount of 70 mills *less* the number of mills equal to the applicable Additional Residential Required Debt Service Mill Levy; *provided, however*, 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, such mill levy shall be increased or decreased 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional Residential District Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional Residential District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional Residential District's electoral authorization, and if the Additional Residential District Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional Residential District's electoral authorization or create a material departure from its service plan, the Additional Residential District Required Operations Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional Residential District's service plan occurs.

*"Additional Residential District Revenue Pledge Agreement"* means an agreement between an Additional Residential District and the Authority having substantially the same terms as this Agreement, the revenue from which the Authority has pledged to CAB Obligations which constitute the same CAB Obligations to which the Authority has pledged the **District No. 1 Debt Service Revenues**.

*"Agreement"* means this Revenue Pledge Agreement (District No. 1) and any amendment hereto made in accordance herewith.

*"Alternative Residential Uses"* means (a) any residential use which comprises or is planned to comprise any portion of a mixed-use development, and/or (b) real property that is developed or anticipated to be developed for residential uses having or allowing a density equal to or exceeding fifteen (15) units to the acre.

*"ATEC Development LLC"* means Aurora Tech Center Development, LLC, a Colorado limited liability company and owner of certain real property in the Aurora Tech Center Development, its successors and permitted assigns.

*"ATEC No. 1"* means ATEC Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*"ATEC No. 1 Required Debt Service Mill Levy"* has the meaning set forth in the ATEC No. 1 Revenue Pledge Agreement.

*"ATEC No. 1 Revenue Pledge Agreement"* means that certain Revenue Pledge Agreement (ATEC No. 1), dated as of December \_\_\_, 2021, between the Authority and ATEC No. 1.

“*ATEC No. 2*” means ATEC Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, its successors and assigns.

“*ATEC No. 2 Required Debt Service Mill Levy*” has the meaning set forth in the ATEC No. 2 Revenue Pledge Agreement.

“*ATEC No. 2 Revenue Pledge Agreement*” means that certain Revenue Pledge Agreement (ATEC No. 2), dated as of December \_\_\_, 2021, between the Authority and ATEC No. 2.

“*ATEC Service Plan*” means the Service Plan for ATEC Metropolitan District Nos. 1 and 2 approved by City Council pursuant to Resolution No. R2018-74 adopted on August 6, 2018, as the same may be amended or modified from time to time.

“*Aurora Highlands Development*” or “*The Aurora Highlands Development*” means real property located in the Service Area of the Authority and commonly known as The Aurora Highlands.

“*Aurora Highlands LLC*” means Aurora Highlands, LLC, a Nevada limited liability company and owner of certain real property in the The Aurora Highlands Development, its successors and permitted assigns.

“*Aurora Tech Center Development*” means the planned development anticipated to consist of industrial and other non-residential uses and anticipated to occur generally East of Powhaton Road within the Service Area of the Authority.

“*Authority*” means The Aurora Highlands Community Authority Board, a public corporation and political subdivision duly organized and existing under the constitution and laws of the State, including particularly the Act.

“*Authority Board*” means the the lawfully organized Board of Directors of the Authority, being the governing body thereof.

“*Authorized Improvements*” means the public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, stormwater, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission, that District No. 1 and the other Financing Districts are authorized by the Special District Act to furnish certain in accordance with and subject to the limitations of their respective Service Plans.

“*Board*” means the lawfully organized Board of Directors of District No. 1, being the governing body thereof.

“*Board of County Commissioners*” means the Board of County Commissioners for Adams County, Colorado.

“*Boards*” means, collectively, the lawfully organized Boards of Directors of each of the Financing Districts, being the governing bodies thereof, respectively.

“*CAB Obligations*” means bonds, loans, notes and other obligations issued by the Authority (a) for the purpose of financing and refinancing Public Improvements in furtherance of effectuating the Long Term Capital Improvements Plan and (b) which constitute a multiple fiscal year financial obligation of the Authority, the payment of which is not subject to annual budget and appropriation by the Authority Board.

“*CAB Operating Costs*” means the costs and expenses from time to time of the Authority relating to: (a) the existence and operation of the Authority, the Districts and the Coordinating District, including administration, statutory compliance and other general purposes, and (b) the operation and maintenance of the Public Improvements; whether paid or payable by the Authority directly or reimbursed or reimbursable by the Authority in accordance with one or more advance or funding agreements.

“*CAB Operations Annual Budget*” means, with respect to any applicable year (which year constitutes a tax levy year within the meaning of this Agreement), the final budget approved and adopted by the Authority Board for the related Fiscal Year (which year constitutes a tax collection year within the meaning of this Agreement).

“*CABEA*” means the First Amended and Restated Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 16, 2020 by and among the Financing Districts and the Authority, as the same may be modified, amended or restated from time to time in accordance with the provisions thereof.

“*City*” means the City of Aurora, Colorado.

“*City Council*” means the City Council of the City of Aurora, Colorado, being the governing body thereof.

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, Part 1, C.R.S.

“*Coordinating District*” means the Aerotropolis Area Coordinating Metropolitan District, in the City of Aurora, Adams County, Colorado, its successors and assigns.

“*Coordinating District Service Plan*” means the First Amended and Restated Service Plan for Aerotropolis Area Coordinating Metropolitan District approved by City Council pursuant to Resolution No. R2017-67 adopted on October 16, 2017, as the same may be amended or modified from time to time.

“*Coordinating District Required Debt Service Mill Levy*” has the meaning assigned to such term in the Coordinating District Revenue Pledge Agreement.

“*Coordinating District Revenue Pledge Agreement*” means the Revenue Pledge Agreement dated December \_\_\_, 2021 between the Authority and the Coordinating District.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*County*” means Adams County, Colorado.

*“County Treasurer”* means the Treasurer of Adams County, Colorado.

*“Developments”* means, collectively, the development within the Financing Districts, including The Aurora Highlands Development and the Aurora Tech Center Development.

*“District No. 1”* means The Aurora Highlands Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 1 Debt Service PILOT Revenues”* means that portion of PILOT Revenues allocable to the District No. 1 Required Debt Service Mill Levy.

*“District No. 1 Debt Service Property Tax Revenues”* means all moneys derived from imposition by District No. 1 of the District No. 1 Required Debt Service Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

*“District No. 1 Debt Service Revenues”* means, collectively, the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 1 Debt Service Property Tax Revenues;
- (b) all District No. 1 Debt Service Specific Ownership Tax Revenues; and
- (c) all District No. 1 Debt Service PILOT Revenues.

*“District No. 1 Debt Service Specific Ownership Tax Revenues”* means the specific ownership taxes remitted to District No. 1 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the District No. 1 Required Debt Service Mill Levy.

*“District No. 1 Election”* means the election of the eligible electors of District No. 1 duly called and held on November 8, 2016 in accordance with law and pursuant to due notice.

*“District No. 1 Operations PILOT Revenues”* means that portion of the PILOT Revenues allocable to the District No. 1 Required Operations Mill Levy.

*“District No. 1 Operations Property Tax Revenues”* means all moneys derived from imposition by District No. 1 of the District No. 1 Required Operations Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

*“District No. 1 Operations Revenues”* means, collectively, the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 1 Operations Property Tax Revenues;
- (b) all District No. 1 Operations Specific Ownership Tax Revenues; and
- (c) all District No. 1 Operations PILOT Revenues.

*“District No. 1 Operations Specific Ownership Tax Revenues”* means the specific ownership taxes remitted to District No. 1 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the District No. 1 Required Operations Mill Levy.

*“District No. 1 Required Debt Service Mill Levy”* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 50 mills; *provided, however*, 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, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

As a result of changes in the ratio of assessed valuation to actual valuation occurring on or after January 1, 2004 (at which time such ratio was 7.96%), the Board has determined that the levy of 50.000 mills stated in paragraph (a) above is, as of the Effective Date (at which time such ratio is 7.15%), 55.664 mills, and such number of mills is subject to further adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement occurring after the Effective Date.

(c) Notwithstanding anything herein to the contrary, in no event may the District No. 1 Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause District No. 1 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 1’s electoral authorization, and if the District No. 1 Required Debt Service Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 1’s electoral authorization or create a material departure from the Service Plan, the District No. 1 Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

*“District No. 1 Required Operations Mill Levy”* means:

(c) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 1 each year in the amount of 70 mills *less* the number of mills equal to the District No. 1 Required Debt Service Mill Levy; *provided, however*, 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, such mill levy shall be increased or decreased 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

As a result of changes in the ratio of assessed valuation to actual valuation occurring on or after January 1, 2004 (at which time such ratio was 7.96%), the Board has determined that the levy of 70.000 mills stated in paragraph (a) above is, as of the Effective Date (at which time such ratio is 7.15%), 77.930 mills, and such number of mills is subject to further adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement occurring after the Effective Date.

(b) Notwithstanding anything herein to the contrary, in no event may the District No. 1 Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause District No. 1 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 1's electoral authorization, and if the District No. 1 Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 1's electoral authorization or create a material departure from the Service Plan, the District No. 1 Required Operations Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

*"District No. 1 Revenues"* means the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 1 Debt Service Revenues; and
- (b) all District No. 1 Operations Revenues.

*"District No. 2"* means The Aurora Highlands Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*"District No. 2 Required Debt Service Mill Levy"* has the meaning set forth in the District No. 2 Revenue Pledge Agreement.

*"District No. 2 Revenue Pledge Agreement"* means that certain Revenue Pledge Agreement dated as of December \_\_\_, 2021, between the Authority and District No. 2.

*"District No. 3"* means The Aurora Highlands Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*"District No. 3 Required Debt Service Mill Levy"* has the meaning set forth in the District No. 3 Revenue Pledge Agreement.

*“District No. 3 Revenue Pledge Agreement”* means that certain Revenue Pledge Agreement dated as of December \_\_\_, 2021, between the Authority and District No. 3.

*“Effective Date”* means the date on which this Agreement is executed and delivered by the Authority and District No. 1.

*“Eligible District”* means a metropolitan district duly organized and existing under the constitution and laws of the State, including particularly the Special District Act, which metropolitan district: (a) has a service plan that was approved by the City after the date of this Agreement; (b) has become and constitutes a member of the Authority in accordance with the provisions of the CABEA; and (c) has authorized, executed and delivered and is legally bound by an Additional District Revenue Pledge Agreement (if such Eligible District constitutes an Additional District) or an Additional Residential District Revenue Pledge Agreement with the Authority (if such Eligible District constitutes an Additional Residential District).

*“Financing Districts”* means, collectively: (a) District No. 1; (b) District No. 2; (c) District No. 3; (d) ATEC No. 1; (e) ATEC No. 2; (f) if and when the Coordinating District is required to include property within its boundaries in accordance with the CABEA and impose its mill levies in accordance with the Coordinating District Revenue Pledge Agreement, the Coordinating District; (g) each Additional Residential District, if any; and (h) each Additional District, if any.

*“First Debt Service Mill Levy Imposition Year”* means:

(a) with respect to the District No. 1 Required Debt Service Mill Levy: tax levy year 2024 (for collection in 2025);

(b) with respect to an Additional Residential District Required Debt Service Mill Levy, the earlier to occur of:

(i) the first tax levy year in which the Financing District the property from which was excluded for inclusion into such Additional Residential District is obligated to impose its Required Debt Service Mill Levy under its applicable Revenue Pledge Agreement; *or*

(ii) the first tax levy year in which such Additional Residential District is legally authorized to impose its mill levies; and

(c) with respect to an Additional District Required Debt Service Mill Levy: the first tax levy year in which such Additional District is legally authorized to impose its mill levies.

*“Governing Boards”* means, collectively, the Authority Board and the Boards.

*“Long Term Capital Improvements Plan”* means the long term financing plan developed by the Authority and the Financing Districts to fund the Public Improvements, which plan contemplates the issuance by the Authority from time to time of bonds and other obligations to finance and refinance such Public Improvements, and which plan contemplates updates by the

Authority from time to time to take into account changing real estate and financial markets, construction costs, availability of construction materials and such other matters as may arise over such extended period of time.

*“Maximum Mill Levy Imposition Term”* has the meaning set forth in the Service Plan, provided that to the extent the provisions of the Service Plan relating to the Maximum Mill Levy Imposition Term are revised after the date of this Agreement, such revisions shall apply to this defined term, its meaning within this Agreement, and the application thereof hereunder.

*“Payment Obligation”* has the meaning set forth in Section 2.02(c) hereof.

*“PILOT”* means the payment in lieu of taxes imposed pursuant to the PILOT Covenant.

[*“PILOT Covenant”* means certain Declaration of Payment in Lieu of Taxes made as of June 29, 2020 by Green Valley East, LLC, a Colorado limited liability company, GVRE 470 LLC, a Colorado limited liability company, GVR King LLC, a Colorado limited liability company, SJSA Investments, LLC, a Nevada limited liability company, GVR King Commercial, LLC, a Colorado limited liability company, Aurora Highlands, LLC, a Nevada limited liability company, Aurora Highlands Holdings, LLC, a Colorado limited liability company, Aurora Tech Center Holdings, LLC, a Colorado limited liability company, and Aurora Tech Center Development, LLC, a Colorado limited liability company and recorded on June 30, 2020, at Reception No. 2020000059148 in the Adams County records, [as amended pursuant to \_\_\_\_\_], providing for a payment in lieu of taxes charged against certain real and personal property described therein, which real and personal property has been deemed by the County Assessor to be exempt from payment of ad valorem taxes, all as set forth in the PILOT Covenant.]

*“PILOT Revenues”* means all revenue derived from the imposition and collection of the PILOT in accordance with the PILOT Covenant.

*“Prior Agreement”* means the District No. 1 Residential Capital Pledge Agreement dated June 30, 2020 by and among the Authority, District No. 1, and Zions Bancorporation, National Association.

*“Public Improvements”* means the Authorized Improvements serving and supporting the Developments.

*“Required Debt Service Mill Levy”* means, as applicable, any one or more of the following: (a) the District No. 1 Required Debt Service Mill Levy; (b) the District No. 2 Required Debt Service Mill Levy; (c) the District No. 3 Required Debt Service Mill Levy; (d) the Coordinating District Required Debt Service Mill Levy; (e) the ATEC No. 1 Required Debt Service Mill Levy; (f) the ATEC No. 2 Required Debt Service Mill Levy; (g) an Additional District Required Debt Service Mill Levy; and/or (h) an Additional Residential District Required Debt Service Mill Levy.

*“Revenue Pledge Agreement”* means, as applicable, any one or more of the following: (a) the District No. 1 Revenue Pledge Agreement; (b) the District No. 2 Revenue Pledge Agreement; (c) the District No. 3 Revenue Pledge Agreement; (d) the Coordinating District Revenue Pledge

Agreement; (e) the ATEC No. 1 Revenue Pledge Agreement; (f) the ATEC No. 2 Revenue Pledge Agreement; (g) an Additional District Revenue Pledge Agreement; and/or (h) an Additional Residential District Revenue Pledge Agreement.

“*Service Plan*” means the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 approved by City Council pursuant to Resolution No. R2017-69 adopted on October 16, 2017, as the same may be amended or modified from time to time.

“*Service Plans*” means, collectively: (a) the Service Plan (which constitutes the service plan for District No. 1, District No. 2 and District No. 3; (b) the Coordinating District Service Plan; and (c) the ATEC Service Plan (which constitutes the service plan for ATEC No. 1 and ATEC No. 2.

“*Service Area*” means the real property identified as such in the CABEA, being the service area of the Authority.

“*Special District Act*” means Title 32, Article 1, C.R.S.

“*State*” means the State of Colorado.

“*Supplemental Act*” means Title 11, Article 57, Part 2, C.R.S.

“*Tax Certificate*” means the certificate to be signed by the Authority relating to the requirements of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended and in effect as of any applicable date, in connection with the issuance or reissuance of CAB Obligations.

“*Termination Date*” means first date on which all of following have occurred: (a) no CAB Obligations are then outstanding; (b) all assets of the Authority have been conveyed to another governmental entity in accordance with the CABEA and other applicable State law; and (c) the Authority has been dissolved.

## ARTICLE II

### PAYMENT OBLIGATION

#### Section 2.01. Electoral Authorization.

(a) The authorization for taxation, issuance of debt, multiple fiscal year financial obligations, and other constitutional matters requiring voter approval for purposes of this Agreement was obtained pursuant to the District No. 1 Election. The performance by District No. 1 of its obligations under this Agreement requires no further electoral approval.

(b) ***Limits of Electoral Authorization.*** In no event shall the total or annual obligations of District No. 1 hereunder exceed the maximum amounts permitted under the District No. 1 Election. Upon payment by District No. 1 hereunder of the maximum

amounts authorized by the District No. 1 Election, the obligations of District No. 1 under this Agreement will be deemed defeased and no longer outstanding.

**Section 2.02. Multiple Fiscal Year Financial Obligations; Payment Obligation.**

(a) The obligations of District No. 1 under this Agreement constitute multiple fiscal year financial obligations of District No. 1.

(b) District No. 1 shall impose its District No. 1 Required Debt Service Mill Levy and its District No. 1 Required Operations Mill Levy as provided in Sections 2.04 and 2.05 herein.

(c) For the purposes of providing revenue to the Authority to fund the repayment of CAB Obligations issued by the Authority in an amount not to exceed \$4,000,000,000 and to fund CAB Operating Costs in an aggregate amount not to exceed \$4,000,000,000 annually, District No. 1 shall transfer or cause to be transferred to or at the direction of the Authority all District No. 1 Revenues as soon as practicable after the receipt thereof (the "Payment Obligation").

**Section 2.03. Prepayment Prohibited.** Because the actual dollar amount of District No. 1's obligations hereunder cannot be ascertained with any certainty at any time, District No. 1 shall not be permitted at any time to prepay its obligations hereunder.

**Section 2.04. Imposition of District No. 1 Required Debt Service Mill Levy.** Commencing on the Effective Date and, subject to the limitations of the Maximum Mill Levy Imposition Term, continuing through and including the year in which the Termination Date occurs:

(a) District No. 1 covenants and agrees to levy or cause to be levied on all of the taxable property of District, in addition to all other taxes, direct annual taxes in each year in the amount of the District No. 1 Required Debt Service Mill Levy. Nothing herein shall be construed to require District No. 1 to impose a debt service mill levy which is (i) in excess of the District No. 1 Required Debt Service Mill Levy or (ii) in contravention of the Maximum Mill Levy Imposition Term.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of the District is located, showing the aggregate amount of District No. 1's debt service mill levy to be levied from time to time.

(c) The amount of revenue derived from the performance of District No. 1's obligations to impose the District No. 1 Required Debt Service Mill Levy each year as provided in Section 2.04(a) above are hereby appropriated for the purpose of paying such amounts to the Authority to pay and secure CAB Obligations, and such amounts as appropriate for each year shall be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year.

(d) It shall be the duty of District No. 1, annually, at the time and in the manner provided by law for the levying of District No. 1's taxes, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes specified in this Section 2.04, and the Board shall levy, certify, and collect such taxes in the manner provided by law.

(e) The ad valorem property taxes specified in this Section 2.04 shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to District No. 1 as provided by law, and District No. 1 shall pay such amounts to the Authority as provided herein.

(f) The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Section 2.04.

**Section 2.05. Imposition of District No. 1 Required Operations Mill Levy.**  
Commencing on the Effective Date and continuing through and including the year in which the Termination Date occurs:

(a) District No. 1 covenants and agrees to levy or cause to be levied on all of the taxable property of District, in addition to all other taxes, direct annual taxes in each year in the amount of the District No. 1 Required Operations Mill Levy. Nothing herein shall be construed to require District No. 1 to impose an operations mill levy which is in excess of the District No. 1 Required Operations Mill Levy.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of the District is located, showing the aggregate amount of District No. 1's operations mill levy to be levied from time to time.

(c) The amount of revenue derived from the performance of District No. 1's obligations to impose the District No. 1 Required Operations Mill Levy each year as provided in Section 2.05(a) above are hereby appropriated for the purpose of paying such amounts to the Authority to fund CAB Operating Costs, and such amounts as appropriate for each year shall be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year.

(d) It shall be the duty of District No. 1, annually, at the time and in the manner provided by law for the levying of District No. 1's taxes, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes specified in this Section 2.05, and the Board shall levy, certify, and collect such taxes in the manner provided by law.

(e) The ad valorem property taxes specified in this Section 2.05 shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to District No. 1 as provided by law, and District No. 1 shall pay such amounts to the Authority as provided herein.

(f) The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Section 2.05.

**Section 2.06. Payment and Application of District No. 1 Revenues.**

(a) District No. 1 hereby agrees to remit to or at the direction of the Authority, as soon as is practicable upon the receipt thereof, all amounts constituting District No. 1 Revenues.

(b) All amounts payable by District No. 1 hereunder shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to or at the direction of the Authority.

(c) Subject to applicable law and the provisions of the CABEA, the CAB shall apply all District No. 1 Revenues in the manner, to the purposes, at the times and in the amounts as determined by the Authority Board, in its sole discretion.

**Section 2.07. No Impairment of Obligations.**

(a) No provisions of any constitution, statute, resolution or other order or measure enacted after the Effective Date of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 1 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 1 to levy, administer, enforce and collect the ad valorem property taxes as provided herein, or as limiting or impairing the obligation of District No. 1 to transfer all District No. 1 Revenues to or at the direction of the Authority.

(b) In addition, and without limiting the generality of the foregoing Section 2.07(a), the obligations of District No. 1 to transfer funds to or at the direction of the Authority as provided herein shall survive any court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of District No. 1 to properly disclose, pursuant to State law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of meetings of District No. 1 as set forth in its official minutes.

**Section 2.08. Limited Defenses; Specific Performance.** District No. 1 understands and agrees that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and District No. 1 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, the Authority, or impair the ability of the Authority or its designated agent to receive transfers of District No. 1 Revenues payable hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of District No. 1, in the event that District No. 1 believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.08, it shall, nevertheless, make all transfers of District No. 1 Revenues as described herein and then may attempt or seek to recover such revenue or portions thereof by actions at law or in equity for damages or specific performance, respectively.

## **Section 2.09. Future Exclusion of Property.**

(a) The parties to this Agreement hereby agree that District No. 1's obligations under this Agreement to impose the District No. 1 Required Debt Service Mill Levy and transfer the District No. 1 Revenues allocable thereto to or at the direction of the Authority as provided herein constitutes "indebtedness" as contemplated by Section 32-1-503, C.R.S. Any property excluded from District No. 1 after the date hereof is to remain liable for the imposition of the District No. 1 Required Debt Service Mill Levy (and the transfer of the District No. 1 Revenues allocable thereto to or at the direction of the Authority) in accordance with the provisions hereof, to the same extent as such property that, by virtue of being included within the boundaries of District No. 1, shall be and remain liable for indebtedness of District No. 1, as provided in Section 32-1-503, C.R.S.

(b) Notwithstanding the provisions of Section 2.09(a) above, in order to prevent double taxation:

(i) if such excluded property is included into District No. 2, District No. 3, or an Additional Residential District, then such excluded property is to remain liable for the imposition of the District No. 1 Required Debt Service Mill Levy until the earlier to occur of such time as: (A) District No. 2 begins imposing the District No. 2 Required Debt Service Mill Levy; (B) District No. 3 begins imposing the District No. 3 Required Debt Service Mill Levy; or (C) the Additional Residential District begins imposing the Additional Residential District Required Debt Service Mill Levy, at which time such property is to be liable only for the District No. 2 Required Debt Service Mill Levy, the District No. 3 Required Debt Service Mill Levy, or the Additional Residential District Required Debt Service Mill Levy, as applicable;

(ii) if such excluded property is included into ATEC No. 1, ATEC No. 2, or an Additional District, then such excluded property is to remain liable for the imposition of the District No. 1 Required Debt Service Mill Levy until the earlier to occur of such time as: (A) ATEC No. 1 begins imposing the ATEC No. 1 Required Debt Service Mill Levy; (B) ATEC No. 2 begins imposing the ATEC No. 2 Required Debt Service Mill Levy; or (C) the Additional District begins imposing the Additional District Required Debt Service Mill Levy, at which time such property is to be liable only for the ATEC No. 1 Required Debt Service Mill Levy; the ATEC No. 2 Required Debt Service Mill Levy; or the Additional District Required Debt Service Mill Levy, as applicable; and

(iii) if such excluded property is included into the Coordinating District, then such excluded property is to remain liable for the imposition of the District No. 1 Required Debt Service Mill Levy until such time as the Coordinating District begins imposing the Coordinating District Required Debt Service Mill Levy, if ever, at which time, if it occurs, such property is to be liable only for the Coordinating District Required Debt Service Mill Levy.

(c) In the event that any court order providing for the exclusion of property from District No. 1 does not specify that such excluded property is liable for the obligations relating to the District No. 1 Required Debt Service Mill Levy as set forth herein, District No. 1 hereby agrees to take or cause to be taken all commercially reasonable actions to cause the property owners of such excluded property to covenant to assume all responsibilities relating to the District No. 1 Required Debt Service Mill Levy under this Agreement, and the Authority shall have the right to approve the form and content of any such covenant.

**Section 2.10. No District No. 1 Obligations.** District No. 1 shall not issue or incur any obligations or enter into any agreements obligating District No. 1 to levy ad valorem property taxes for the payment thereof, pay District No. 1 Revenue or any portion thereof to any person other than the Authority (or as directed in writing by the Authority), conflict with the provisions of this Agreement, or otherwise encumber in any manner the District No. 1 Revenue or any portion thereof.

**Section 2.11. Additional Covenants.**

(a) At least once a year, District No. 1 will either cause an audit to be performed of the records relating to its revenues and expenditures or, if applicable under State statute, will apply for an audit exemption, and District No. 1 shall use its best efforts to have such audit report or application for audit exemption completed no later than September 30 of each calendar year. The foregoing covenant will apply notwithstanding any different time requirements for the completion of such audit or application for audit exemption under State law. In addition, at least once a year in the time and manner provided by law, District No. 1 will cause a budget to be prepared and adopted. Copies of the budget and the audit or audit exemption will be filed and recorded in the places, time, and manner provided by law.

(b) District No. 1 agrees to make best efforts to assist Aurora Highlands LLC, ATEC Development LLC, and the Authority in the provision of information on an ongoing basis concerning development occurring within the boundaries of District No. 1 in accordance with the requirements of any continuing disclosure obligations entered into by the Authority in connection with any CAB Obligations.

(c) District No. 1 agrees to comply on an ongoing basis with all of the requirements of any and all Tax Certificates relating to restrictions on the use of the property that is acquired and financed or refinanced with proceeds of CAB Obligations and located within the jurisdiction of District No. 1. District No. 1 agrees, promptly upon request by the Authority, to provide the Authority (or to any person as directed in writing by the Authority) with information necessary for the Authority to comply on an ongoing basis with the requirements of a Tax Certificate.

(d) District No. 1 shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might impair its ability to comply with or terminate its obligations hereunder.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES

**Section 3.01. Representations and Warranties of District No. 1.** District No. 1 hereby makes the following representations and warranties with respect to itself:

(a) It is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State.

(b) It has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. Its execution, delivery, and performance of this Agreement has been duly authorized by all necessary action.

(c) It is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder. The execution, delivery and performance by it of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting its operations or activities in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of its revenues or other assets pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which it is a party other than the lien and encumbrance created by the terms of this Agreement or which purports to be binding upon it or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) It has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by it of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which it is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best of its knowledge threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best of its knowledge is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of it to perform its obligations under, this Agreement.

(f) This Agreement constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights

generally and provided that the application of equitable remedies is subject to the application of equitable principles).

## **ARTICLE IV**

### **EVENTS OF DEFAULT AND REMEDIES**

**Section 4.01. Events of Default.** The occurrence or existence of any one or more of the following events shall be an “Event of Default” hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) District No. 1 fails or refuses to impose the District No. 1 Required Operations Mill Levy or the District No. 1 Required Debt Service Mill Levy or to remit the District No. 1 Revenues as required by the terms of this Agreement;

(b) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto;

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) hereof and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(e) District No. 1 commences proceedings for dissolution or consolidation with another metropolitan district during the term of this Agreement.

**Section 4.02. Remedies For Events of Default.** Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or

parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

## **ARTICLE V**

### **MISCELLANEOUS**

**Section 5.01. Pledge of District No. 1 Revenues.** The creation, perfection, enforcement, and priority of the pledge of District No. 1 Revenues to secure District No. 1's Payment Obligation shall be governed by Section 11-57-208 of the Supplemental Act and this Agreement. The District No. 1 Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against District No. 1 and/or the Authority irrespective of whether such persons have notice of such lien.

**Section 5.02. No Recourse against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board of District No. 1, or any officer or agent of District No. 1 acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or District No. 1, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this Agreement and as a part of the consideration hereof, each of District No. 1 and the Authority specifically waives any such recourse.

**Section 5.03. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, this Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act (other than the provisions of 11-57-207(1)(a), C.R.S. relating to a forty-year maturity with respect to securities issued by a public entity which the Authority and District No. 1 have elected not to apply), and such recital is conclusive evidence of the validity and the regularity of this Agreement after its delivery for value.

**Section 5.04. Limitation of Actions.** Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this Agreement shall be commenced more than 30 days after the authorization of this Agreement.

**Section 5.05. Notices.** Except as otherwise provided herein, all notices, consents or approvals required or permitted to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

If to the Authority:	<p>The Aurora Highlands Community Authority Board  c/o CliftonLarsonAllen LLP  8390 East Crescent Parkway, Suite 300  Greenwood Village, Colorado 80111  Attention: Denise Denslow  Telephone: 303.779.5710  Email: denise.denslow@claconnect.com</p>
With a copy to:	<p>The Aurora Highlands Community Authority Board  c/o McGeady Becher P.C.  450 E. 17<sup>th</sup> Avenue, Suite 400  Denver, Colorado 80203-1254  Telephone: 303.592.4380  Email: legalnotices@specialdistrictlaw.com</p>
If to District No. 1:	<p>The Aurora Highlands Metropolitan District No. 1  c/o CliftonLarsonAllen LLP  8390 East Crescent Parkway, Suite 300  Englewood, Colorado 80111  Attention: Denise Denslow  Telephone: 303-779-5710  Email: denise.denslow@claconnect.com</p>
With a copy to:	<p>Collins Cockrel &amp; Cole  390 Union Blvd. Suite 400  Denver, Colorado 80228-1556  Telephone: (303) 986-1551  Email: mruhland@cccfirm.com  Attention: Matt Ruhland</p>

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one day after hand delivery or three days after mailing. Any of District No. 1 and/or the Authority, by written notice so provided, may change the address to which future notices shall be sent.

**Section 5.06. Miscellaneous.**

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) This Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties.

(d) This Agreement shall be governed by and construed under the laws of the State of Colorado without giving effect to conflicts of laws principles.

(e) Venue for any and all claims brought by any party to enforce any provisions of this Agreement shall be the District Court in and for the County of Adams, State of Colorado.

(f) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties.

(g) If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Agreement, shall be a Saturday, Sunday, legal holiday or a day on which U.S. banking institutions are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement.

(h) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(i) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(j) The Authority shall have the right to access and review District No. 1's records and accounts, on reasonable times during regular daytime office hours, for purposes of determining compliance by District No. 1 with the terms of this Agreement. Such access shall be subject to the provisions of the Public Records Act of the State contained in Article 72 of Title 24, C.R.S. In the event of disputes or litigation between the parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

(k) District No. 1 hereby covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of its respective obligations hereunder.

**Section 5.07. Colorado Municipal Bond Supervision Act.** District No. 1 recognizes that its obligations under this Agreement to impose the District No. 1 Required Debt Service Mill Levy and the District No. 1 Required Operations Mill Levy and to remit the District No. 1 Revenues to or at the direction of the Authority in accordance with the provisions hereof may constitute a “bond” under Title 11, Article 59, C.R.S. (the “Colorado Municipal Bond Supervision Act”). Accordingly, District No. 1 has found and determined as set forth below, for purposes of the Colorado Municipal Bond Supervision Act:

(a) District No. 1 is obligated to remit the District No. 1 Revenues to or at the direction of the Authority for use by the Authority in the Authority’s sole discretion as all other legally available revenues of the Authority. District No. 1 understands that, subject to applicable law and the provisions of the CABEA, all or a portion of the District No. 1 Revenues payable to or at the direction of the Authority hereunder may be used by the Authority to pay CAB Operating Expenses, and also that all or a portion of the District No. 1 Revenues payable by District No. 1 to or at the direction of the Authority hereunder may be pledged by the Authority as security or collateral for an issuance of CAB Obligations, which securities issued on or after the date hereof are anticipated to be issued in authorized denominations of \$500,000 or integral multiples of \$1,000 in excess thereof (provided that such securities issued by the Authority are not subject to the Colorado Municipal Bond Supervision Act). Furthermore, District No. 1 understands that the total principal amount of the securities issued by the Authority and payable, in part, from the District No. 1 Debt Service Revenues, is not expected to exceed \$4,000,000,000.

(b) With respect to District No. 1’s Payment Obligation hereunder resulting in amounts used by the Authority to pay CAB Operating Costs or other purposes not including a pledge as security or collateral for CAB Obligations, neither a registration application nor a claim of exemption under the Colorado Municipal Bond Supervision Act is required with respect thereto, in accordance with Interpretative Order No. 06-IN-001 issued by the State Securities Commissioner on March 23, 2006.

(c) No portion of District No. 1’s Payment Obligation hereunder is assignable by the Authority without the consent of District No. 1, and the Authority understands and acknowledges that in no event will District No. 1 consent to a partial assignment of such Payment Obligations.

(d) District No. 1’s Payment Obligation is not divisible, is deemed to be issued and transferable (if at all, in the sole discretion of District No. 1) in a single authorized denomination equal to the principal amount of the CAB Obligations issued by the Authority from time to time (authorized in the principal amount of up to \$4,000,000,000), which will be not less than \$500,000 or integral multiples of \$1,000 in excess thereof, and is exempt from the registration requirements of the Colorado

Municipal Bond Supervision Act in accordance with Rule 59-10.3. Such District has caused to be filed a claim of exemption under the Colorado Municipal Bond Supervision Act on such basis.

**Section 5.08. Effective Date and Termination Date.** This Agreement shall become effective as of the Effective Date and shall remain in effect until the Termination Date.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, District No. 1 and the Authority have executed this Agreement as of the day and year first above written.

**THE AURORA HIGHLANDS COMMUNITY  
AUTHORITY BOARD**, a political subdivision  
and public corporation duly organized and existing  
as a separate legal entity under the constitution and  
laws of the State of Colorado

---

President

ATTESTED:

---

Assistant Secretary

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 1**, a quasi-  
municipal corporation and political subdivision of  
the State of Colorado

---

President

ATTESTED:

---

Assistant Secretary

[Signature Page Revenue Pledge Agreement (District No. 1)]

**EXHIBIT A**

**DEBT BALLOT QUESTIONS  
DISTRICT NO. 1 ELECTION**

**REVENUE PLEDGE AGREEMENT (DISTRICT NO. 2)**

***BETWEEN***

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**

***AND***

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2**

**DATED DECEMBER \_\_, 2021**

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**REVENUE PLEDGE AGREEMENT  
(DISTRICT NO. 2)**

This **REVENUE PLEDGE AGREEMENT (DISTRICT NO. 2)** (this “Agreement”), is entered into on this \_\_\_\_ day of December, 2021, between **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**, a political subdivision and public corporation duly organized and existing as a separate legal entity under the constitution and laws of the State of Colorado (the “Authority”), and **THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 2”).

All capitalized terms used in and not otherwise defined in the recitals below shall have the respective meanings ascribed to such terms in Section 1.02 hereof.

On the Effective Date, this Agreement shall supersede and replace in its entirety that certain District No. 2 Residential Capital Pledge Agreement dated June 30, 2020 by and among the Authority, District No. 2, and Zions Bancorporation, National Association (the “Prior Agreement”).

**RECITALS**

WHEREAS, the Authority is a political subdivision and public corporation duly organized and existing as a separate legal entity under the constitution and laws of the State of Colorado (the “State”), including particularly the Act; and

WHEREAS, District No. 2 is a quasi-municipal corporation and political subdivision of the State duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly the Special District Act; and

WHEREAS, District No. 2 was organized by an Order and Decree of the District Court for Adams County, Colorado (the “District Court”), issued on November 15, 2004 and recorded in the public records of the Clerk and Recorder of Adams County, Colorado, on December 7, 2004; and

WHEREAS, District No. 2 petitioned for and received an Order Granting Petition for Name Change on August 14, 2017 from the District Court changing District No. 2’s name from Green Valley Ranch East Metropolitan District No. 1 to The Aurora Highlands Metropolitan District No. 2; and

WHEREAS, the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 was approved by the City Council of the City of Aurora, Colorado (the “City”), pursuant to Resolution No. R2017-69 adopted on October 16, 2017 (the “Service Plan”); and

WHEREAS, District No. 2 and the other Financing Districts are authorized by the Special District Act to furnish certain public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, stormwater, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission

in accordance with and subject to the limitations of their respective Service Plans (the “Authorized Improvements”); and

WHEREAS, District No. 2 and the other Financing Districts were formed for the purpose of, among other things, providing the Authorized Improvements; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., District No. 2, the other Financing Districts, and the Authority may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract (including the CABEA, defined below) may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt, and any such contract may be entered into for any period, notwithstanding any provision of law limiting the length of any financial contracts or obligations of governmental entities or authorities such as District No. 2, the other Financing Districts, and the Authority; and

WHEREAS, District No. 2, the other Financing Districts, and the Authority have entered into that certain First Amended and Restated Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 16, 2020 (the “CABEA”), pursuant to which the Authority was formed and certain goals, duties and obligations of the Financing Districts were established; and

WHEREAS, under their respective Service Plans and the CABEA, the Financing Districts and the Authority are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of the Authorized Improvements serving and supporting development within the Service Area of the Authority, including within the Financing Districts, The Aurora Highlands Development and the Aurora Tech Center Development (collectively, the “Developments”); and

WHEREAS, the Authority and the Financing Districts have developed a long term financing plan to fund the Authorized Improvements serving and supporting the Developments (collectively, the “Public Improvements”), which plan contemplates the issuance by the Authority from time to time of bonds and other obligations to finance and refinance such Public Improvements, and which plan contemplates updates from time to time by the Authority to take into account changing real estate and financial markets, construction costs, availability of construction materials and such other matters as may arise over an extended period of time (as so amended from time to time, the “Long Term Capital Improvements Plan”); and

WHEREAS, District No. 2 and the Authority have determined that the Public Improvements anticipated to be financed pursuant to the Long Term Capital Improvements Plan are needed and, due to the nature of the Public Improvements and proximity and interrelatedness of the Developments anticipated to occur within the Service Area of the Authority, will benefit the residents, property owners and taxpayers in District No. 2, in addition to the residents, occupants, property owners and taxpayers in the other Financing Districts; and

WHEREAS, Aurora Tech Center Development, LLC, a Colorado limited liability company (“ATEC Development LLC”), is the owner of certain real property located in the

Service Area of the Authority and commonly known as Aurora Tech Center (the “Aurora Tech Center Development”); and

WHEREAS, ATEC Development LLC has constructed or has caused the construction of certain Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, and is anticipated to construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts; and

WHEREAS, Aurora Highlands, LLC, a Nevada limited liability company (“Aurora Highlands LLC”), is an owner of certain real property located in the Service Area of the Authority and commonly known as The Aurora Highlands (“The Aurora Highlands Development” or “Aurora Highlands Development”), and has constructed or caused the construction of certain Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, and is anticipated to construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts; and

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) and the Boards of Directors of each of the Financing Districts (collectively, the “Governing Boards”) have determined that it is necessary to pay and/or reimburse ATEC Development LLC and Aurora Highlands LLC for the costs of such Public Improvements; and

WHEREAS, the Governing Boards have also determined that in the future other property owners, developers, homebuilders and others may also construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, in furtherance of carrying out the Long Term Capital Improvements Plan; and

WHEREAS, for the purpose of financing and refinancing Public Improvements in furtherance of effectuating the Long Term Capital Improvements Plan, the Governing Boards have determined that the Authority shall from time to time issue bonds or other indebtedness (as more particularly defined in Section 1.02, hereof, the “CAB Obligations”); and

WHEREAS, for the purpose of providing funds to pay and secure CAB Obligations issued from time to time by the Authority, the Governing Boards have determined that each of the Financing Districts shall impose their respective debt service mill levies, and shall transfer the revenue derived therefrom to the Authority for application by the Authority in the manner determined by the Authority, in its sole discretion; provided that the Authority acknowledges that State law imposes restrictions on revenue derived from imposition of debt service mill levies; and

WHEREAS, for the purpose of funding from time to time the costs and expenses of the Authority relating to administration, operations, maintenance, and other general purposes (as more particularly defined in Section 1.02 hereof, the “CAB Operating Costs”), the Governing Boards have determined that each of the Financing Districts shall impose their respective operations and maintenance mill levies, and shall transfer the revenue derived therefrom to the Authority for application by the Authority in the manner determined by the Authority, in its sole discretion; and

WHEREAS, at an election of the eligible electors of District No. 2 duly called and held on November 8, 2016 in accordance with law and pursuant to due notice (the “District No. 2 Election”), a majority of eligible electors voting at such election voted in favor of, *inter alia*, the ad valorem property taxation by District No. 2 for the purposes of deriving revenue for payment of administration, operations and maintenance costs, and the entering into of one or more intergovernmental agreements by District No. 2 and issuance of debt and imposition of taxes for the payment thereof for the purpose of funding certain improvements and facilities, the ballot questions relating thereto being attached as Exhibit A hereto; and

WHEREAS, the returns of the District No. 2 Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the District No. 2 Election were certified by District No. 2 by certified mail to the governing body of a municipality that has adopted a resolution of approval of District No. 2 pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S., within 45 days after the District No. 2 Election; and

WHEREAS, pursuant to the District No. 2 Election, District No. 2 has the following amounts of voted authorization for the following purposes:

<b>Voted Debt Authorization District No. 2 Election</b>	
<b>Purpose</b>	<b>Principal Amount</b>
Street	\$4,000,000,000
Traffic and Safety	4,000,000,000
Water	4,000,000,000
Sanitation	4,000,000,000
Parks and recreation	4,000,000,000
Transportation	4,000,000,000
Mosquito Control	4,000,000,000
Fire Protection	4,000,000,000
Security	4,000,000,000
Television Relay and Translation	4,000,000,000
Intergovernmental Agreements	4,000,000,000
<b>TOTAL</b>	<b>\$44,000,000,000</b>

WHEREAS, regardless of its debt authorization pursuant to the District No. 2 Election, District No. 2’s Service Plan limits the total debt permitted to be issued by District No. 2 to \$4,000,000,000; and

WHEREAS, the Board of District No. 2 (the “Board”) has determined that District No. 2 shall impose its debt service mill levies and its operations mill levies in the amounts, at the times and as otherwise provided in this Agreement for the purposes of providing revenue to the

Authority to pay and secure CAB Obligations and to fund CAB Operating Costs, and District No. 2 shall transfer all such revenue to or at the direction of the Authority as soon as practicable after the receipt thereof (as more particularly defined in Section 1.02 hereof, the “Payment Obligation”); and

WHEREAS, the Board has determined that the execution and delivery of this Agreement and the performance of its obligations hereunder are in the best interests of District No. 2, its residents, its property owners, and its taxpayers; and

WHEREAS, the Authority shall in its sole discretion, subject to applicable law and the terms of the CABEA, determine how the moneys transferred to the Authority by District No. 2 in furtherance of satisfying District No. 2’s Payment Obligation hereunder shall be expended; provided, however, that in no event shall the Payment Obligation of District No. 2 hereunder exceed the limits set forth herein; and

WHEREAS, the Payment Obligation of District No. 2 made pursuant to this Agreement is made and issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan for District No. 2, and all other laws hereunto enabling; and

WHEREAS, Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”) provides that all or any provisions of the Supplemental Act may be applied by any public entity (which public entity includes any district organized or acting pursuant to the provisions of the Special District Act, such as District No. 2, and any authority organized or acting pursuant to the Act, such as the Authority) to securities (which securities include any financial contract authorized to be issued by such public entity under other laws of the State, such as this Agreement) issued by such public entity if the issuing authority (being the governing body of any public entity in which the laws of the State vest the authority to issue securities through an act of issuance) of such public entity elects in an act of issuance to so apply all or any provisions of the Supplemental Act to the issuance of such securities; and

WHEREAS, District No. 2 and the Authority specifically elect to apply all of the provisions of the Supplemental Act to this Agreement and the Payment Obligation other than the provisions of 11-57-207(1)(a), C.R.S., relating to a forty-year maturity with respect to securities issued by a public entity, which shall not apply to this Agreement nor to the Payment Obligation of District No. 2 hereunder; and

WHEREAS, the Board of District No. 2 hereby determines to allocate the maximum principal amount of its Payment Obligation under this Agreement as set forth below, provided, however, that such allocation is subject to change if the Board determines that an alternative allocation is necessary in order to effectuate the transactions contemplated under this Agreement and the CABEA, and any such variance shall not require an amendment to this Agreement or notice to or consent of any person; provided, however, that District No. 2 shall make (or cause to be made) the appropriate notations and updates as to the actual uses of such electoral authorization in its annual audited financial statements:

<b>District No. 2 Election Allocation of Voted Authorization</b>			
<b>Purpose</b>	<b>Voted Authorization Available</b>	<b>Voted Authorization Allocated to Revenue Pledge Agreement (District No. 2)</b>	<b>Voted Authorization Remaining</b>
Street	\$4,000,000,000	\$-0-	\$4,000,000,000
Traffic and Safety	4,000,000,000	-0-	4,000,000,000
Water	4,000,000,000	-0-	4,000,000,000
Sanitation	4,000,000,000	-0-	4,000,000,000
Parks and recreation	4,000,000,000	-0-	4,000,000,000
Transportation	4,000,000,000	-0-	4,000,000,000
Mosquito Control	4,000,000,000	-0-	4,000,000,000
Fire Protection	4,000,000,000	-0-	4,000,000,000
Security	4,000,000,000	-0-	4,000,000,000
Television Relay and Translation	4,000,000,000	-0-	4,000,000,000
Intergovernmental Agreements	4,000,000,000	4,000,000,000	-0-
<b>TOTAL</b>	<b><u>\$44,000,000,000</u></b>	<b><u>\$4,000,000,000</u></b>	<b><u>\$40,000,000,000</u></b>

; and

WHEREAS, District No. 2 has duly authorized the execution and delivery of this Agreement; and

WHEREAS, upon the execution and delivery of this Agreement, the Prior Agreement shall terminate, be cancelled, and no longer be in force or effect; and

WHEREAS, all things necessary to make this Agreement the valid obligation of District No. 2, in accordance with their and its terms, have been done.

## **COVENANTS**

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01. Interpretation.** In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement, the term “now” means the date of execution of this Agreement, and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals hereto and Section 1.02 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

**Section 1.02. Definitions.** As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout this Agreement shall have the respective meanings set forth in the Recitals hereto and below:

“*Act*” means Title 29, Article 1, Part 2, C.R.S.

“*Additional District*” means an Eligible District the property within which has been or is planned to be developed for non-residential uses and/or Alternative Residential Uses.

“*Additional District Required Debt Service Mill Levy*” means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 29 mills; *provided, however*, that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation with respect to any class or classes of property (as classified by the County Assessor) upon which the Additional District is authorized to impose its mill levy, or any constitutionally mandated tax credit, cut or abatement having an impact on any class or classes of property upon which the Additional District is authorized to impose its mill levy, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional District Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional District’s electoral authorization, and if the Additional District Required Debt Service Mill Levy as calculated pursuant to the

foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional District's electoral authorization or create a material departure from its service plan, the Additional District Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional District's service plan occurs.

*"Additional District Required Operations Mill Levy"* means:

(a) Subject to paragraphs (b) and (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Additional District each year in the amount of 35 mills *less* the number of mills equal to the applicable Additional District Required Debt Service Mill Levy; *provided, however*, that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation with respect to any class or classes of property (as classified by the County Assessor) upon which the Additional District is authorized to impose its mill levy, or any constitutionally mandated tax credit, cut or abatement having an impact on any class or classes of property upon which the Additional District is authorized to impose its mill levy, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) If the Authority determines that the number of mills to be imposed by the Additional District in the current tax levy year as calculated pursuant to paragraph (a) above would derive tax revenue in the related tax collection year in an amount greater than the amount of revenue necessary to fund the CAB Operations Annual Budget for the Fiscal Year corresponding to such tax collection year and if, prior to December 1 of such tax levy year, the Authority provides to the Additional District a writing directing the Additional District to impose a mill levy of fewer mills than would otherwise be imposed if calculated pursuant to paragraph (a) above and such writing specifies the number of mills to be imposed by the Additional District in such tax levy year, the Additional District may impose such lesser number of mills as set forth in such writing from the Authority and such lesser number of mills shall constitute the Additional District Required Operations Mill Levy for that tax levy year.

(c) Notwithstanding anything herein to the contrary, in no event may the Additional District Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional District's electoral authorization, and if the Additional District Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional District's electoral authorization or create a material departure from its service plan, the Additional District Required Operations Mill

Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional District's service plan occurs.

*"Additional District Revenue Pledge Agreement"* means an agreement between an Additional District and the Authority having substantially the same terms as this Agreement, the revenue from which the Authority has pledged to CAB Obligations which constitute the same CAB Obligations to which the Authority has pledged the District No. 1 Debt Service Revenues.

*"Additional Residential District"* means an Eligible District the property within which has been or is planned to be developed for residential uses *other than* Alternative Residential Uses.

*"Additional Residential District Required Debt Service Mill Levy"* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional Residential District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 50 mills; *provided, however*, 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, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional Residential District Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional Residential District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional Residential District's electoral authorization, and if the Additional Residential District Required Debt Service Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional Residential District's electoral authorization or create a material departure from its service plan, the Additional Residential District Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional Residential District's service plan occurs.

*"Additional Residential District Required Operations Mill Levy"* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional Residential District each year in the amount of 70 mills *less* the number of mills equal to the applicable Additional Residential Required Debt Service Mill Levy; *provided, however*, 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, such mill levy shall be increased or decreased 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional Residential District Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional Residential District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional Residential District's electoral authorization, and if the Additional Residential District Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional Residential District's electoral authorization or create a material departure from its service plan, the Additional Residential District Required Operations Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional Residential District's service plan occurs.

*"Additional Residential District Revenue Pledge Agreement"* means an agreement between an Additional Residential District and the Authority having substantially the same terms as this Agreement, the revenue from which the Authority has pledged to CAB Obligations which constitute the same CAB Obligations to which the Authority has pledged the District No. 1 Debt Service Revenues.

*"Agreement"* means this Revenue Pledge Agreement (District No. 2) and any amendment hereto made in accordance herewith.

*"Alternative Residential Uses"* means (a) any residential use which comprises or is planned to comprise any portion of a mixed-use development, and/or (b) real property that is developed or anticipated to be developed for residential uses having or allowing a density equal to or exceeding fifteen (15) units to the acre.

*"ATEC Development LLC"* means Aurora Tech Center Development, LLC, a Colorado limited liability company and owner of certain real property in the Aurora Tech Center Development, its successors and permitted assigns.

*"ATEC No. 1"* means ATEC Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*"ATEC No. 1 Required Debt Service Mill Levy"* has the meaning set forth in the ATEC No. 1 Revenue Pledge Agreement.

*"ATEC No. 1 Revenue Pledge Agreement"* means that certain Revenue Pledge Agreement (ATEC No. 1), dated as of December \_\_\_\_, 2021, between the Authority and ATEC No. 1.

“*ATEC No. 2*” means ATEC Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, its successors and assigns.

“*ATEC No. 2 Required Debt Service Mill Levy*” has the meaning set forth in the ATEC No. 2 Revenue Pledge Agreement.

“*ATEC No. 2 Revenue Pledge Agreement*” means that certain Revenue Pledge Agreement (ATEC No. 2), dated as of December \_\_\_, 2021, between the Authority and ATEC No. 2.

“*ATEC Service Plan*” means the Service Plan for ATEC Metropolitan District Nos. 1 and 2 approved by City Council pursuant to Resolution No. R2018-74 adopted on August 6, 2018, as the same may be amended or modified from time to time.

“*Aurora Highlands Development*” or “*The Aurora Highlands Development*” means real property located in the Service Area of the Authority and commonly known as The Aurora Highlands.

“*Aurora Highlands LLC*” means Aurora Highlands, LLC, a Nevada limited liability company and owner of certain real property in the The Aurora Highlands Development, its successors and permitted assigns.

“*Aurora Tech Center Development*” means the planned development anticipated to consist of industrial and other non-residential uses and anticipated to occur generally East of Powhatan Road within the Service Area of the Authority.

“*Authority*” means The Aurora Highlands Community Authority Board, a public corporation and political subdivision duly organized and existing under the constitution and laws of the State, including particularly the Act.

“*Authority Board*” means the the lawfully organized Board of Directors of the Authority, being the governing body thereof.

“*Authorized Improvements*” means the public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, stormwater, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission, that District No. 2 and the other Financing Districts are authorized by the Special District Act to furnish certain in accordance with and subject to the limitations of their respective Service Plans.

“*Board*” means the lawfully organized Board of Directors of District No. 2, being the governing body thereof.

“*Board of County Commissioners*” means the Board of County Commissioners for Adams County, Colorado.

“*Boards*” means, collectively, the lawfully organized Boards of Directors of each of the Financing Districts, being the governing bodies thereof, respectively.

“*CAB Obligations*” means bonds, loans, notes and other obligations issued by the Authority (a) for the purpose of financing and refinancing Public Improvements in furtherance of effectuating the Long Term Capital Improvements Plan and (b) which constitute a multiple fiscal year financial obligation of the Authority, the payment of which is not subject to annual budget and appropriation by the Authority Board.

“*CAB Operating Costs*” means the costs and expenses from time to time of the Authority relating to: (a) the existence and operation of the Authority, the Districts and the Coordinating District, including administration, statutory compliance and other general purposes, and (b) the operation and maintenance of the Public Improvements; whether paid or payable by the Authority directly or reimbursed or reimbursable by the Authority in accordance with one or more advance or funding agreements.

“*CAB Operations Annual Budget*” means, with respect to any applicable year (which year constitutes a tax levy year within the meaning of this Agreement), the final budget approved and adopted by the Authority Board for the related Fiscal Year (which year constitutes a tax collection year within the meaning of this Agreement).

“*CABEA*” means the First Amended and Restated Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 16, 2020 by and among the Financing Districts and the Authority, as the same may be modified, amended or restated from time to time in accordance with the provisions thereof.

“*City*” means the City of Aurora, Colorado.

“*City Council*” means the City Council of the City of Aurora, Colorado, being the governing body thereof.

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, Part 1, C.R.S.

“*Coordinating District*” means the Aerotropolis Area Coordinating Metropolitan District, in the City of Aurora, Adams County, Colorado, its successors and assigns.

“*Coordinating District Service Plan*” means the First Amended and Restated Service Plan for Aerotropolis Area Coordinating Metropolitan District approved by City Council pursuant to Resolution No. R2017-67 adopted on October 16, 2017, as the same may be amended or modified from time to time.

“*Coordinating District Required Debt Service Mill Levy*” has the meaning assigned to such term in the Coordinating District Revenue Pledge Agreement.

“*Coordinating District Revenue Pledge Agreement*” means the Revenue Pledge Agreement dated December \_\_\_, 2021 between the Authority and the Coordinating District.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*County*” means Adams County, Colorado.

*“County Treasurer”* means the Treasurer of Adams County, Colorado.

*“Developments”* means, collectively, the development within the Financing Districts, including The Aurora Highlands Development and the Aurora Tech Center Development.

*“District No. 1”* means The Aurora Highlands Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 1 Required Debt Service Mill Levy”* has the meaning set forth in the District No. 1 Revenue Pledge Agreement.

*“District No. 1 Revenue Pledge Agreement”* means that certain Revenue Pledge Agreement dated as of December \_\_\_, 2021, between the Authority and District No. 1.

*“District No. 2”* means The Aurora Highlands Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 2 Assessed Value”* means the assessed valuation of the taxable property of District No. 2, as certified from time to time by the applicable county assessor.

*“District No. 2 Debt Service PILOT Revenues”* means that portion of PILOT Revenues allocable to the District No. 2 Required Debt Service Mill Levy.

*“District No. 2 Debt Service Property Tax Revenues”* means all moneys derived from imposition by District No. 2 of the District No. 2 Required Debt Service Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

*“District No. 2 Debt Service Revenues”* means, collectively, the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 2 Debt Service Property Tax Revenues;
- (b) all District No. 2 Debt Service Specific Ownership Tax Revenues; and
- (c) all District No. 2 Debt Service PILOT Revenues.

*“District No. 2 Debt Service Specific Ownership Tax Revenues”* means the specific ownership taxes remitted to District No. 2 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the District No. 2 Required Debt Service Mill Levy.

*“District No. 2 Election”* means the election of the eligible electors of District No. 2 duly called and held on November 8, 2016 in accordance with law and pursuant to due notice.

*“District No. 2 Operations PILOT Revenues”* means that portion of the PILOT Revenues allocable to the District No. 2 Required Operations Mill Levy.

*“District No. 2 Operations Property Tax Revenues”* means all moneys derived from imposition by District No. 2 of the District No. 2 Required Operations Mill Levy, net of fees of

the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

“*District No. 2 Operations Revenues*” means, collectively, the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 2 Operations Property Tax Revenues;
- (b) all District No. 2 Operations Specific Ownership Tax Revenues; and
- (c) all District No. 2 Operations PILOT Revenues.

“*District No. 2 Operations Specific Ownership Tax Revenues*” means the specific ownership taxes remitted to District No. 2 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the District No. 2 Required Operations Mill Levy.

“*District No. 2 Required Debt Service Mill Levy*” means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 2 each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 50 mills; *provided, however*, 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, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

As a result of changes in the ratio of assessed valuation to actual valuation occurring on or after January 1, 2004 (at which time such ratio was 7.96%), the Board has determined that the levy of 50.000 mills stated in paragraph (a) above is, as of the Effective Date (at which time such ratio is 7.15%), 55.664 mills, and such number of mills is subject to further adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement occurring after the Effective Date.

(b) Notwithstanding anything herein to the contrary, in no event may the District No. 2 Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause District No. 2 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 2’s electoral authorization, and if the District No. 2 Required Debt Service Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 2’s electoral authorization or create a material departure from the Service Plan, the District No. 2 Required Debt Service Mill Levy shall be reduced to the point that such

maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

*“District No. 2 Required Operations Mill Levy”* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 1 each year in the amount of 70 mills *less* the number of mills equal to the District No. 1 Required Debt Service Mill Levy; *provided, however*, 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, such mill levy shall be increased or decreased 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

As a result of changes in the ratio of assessed valuation to actual valuation occurring on or after January 1, 2004 (at which time such ratio was 7.96%), the Board has determined that the levy of 70.000 mills stated in paragraph (a) above is, as of the Effective Date (at which time such ratio is 7.15%), 77.930 mills, and such number of mills is subject to further adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement occurring after the Effective Date.

(b) Notwithstanding anything herein to the contrary, in no event may the District No. 2 Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause District No. 2 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 2’s electoral authorization, and if the District No. 2 Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 2’s electoral authorization or create a material departure from the Service Plan, the District No. 2 Required Operations Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

*“District No. 2 Revenues”* means the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 2 Debt Service Revenues; and
- (b) all District No. 2 Operations Revenues.

*“District No. 3”* means The Aurora Highlands Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 3 Required Debt Service Mill Levy”* has the meaning set forth in the District No. 3 Revenue Pledge Agreement.

*“District No. 3 Revenue Pledge Agreement”* means that certain Revenue Pledge Agreement dated as of December \_\_\_, 2021, between the Authority and District No. 3.

*“Effective Date”* means the date on which this Agreement is executed and delivered by the Authority and District No. 2.

*“Eligible District”* means a metropolitan district duly organized and existing under the constitution and laws of the State, including particularly the Special District Act, which metropolitan district: (a) has a service plan that was approved by the City after the date of this Agreement; (b) has become and constitutes a member of the Authority in accordance with the provisions of the CABEA; and (c) has authorized, executed and delivered and is legally bound by an Additional District Revenue Pledge Agreement (if such Eligible District constitutes an Additional District) or an Additional Residential District Revenue Pledge Agreement with the Authority (if such Eligible District constitutes an Additional Residential District).

*“Financing Districts”* means, collectively: (a) District No. 1; (b) District No. 2; (c) District No. 3; (d) ATEC No. 1; (e) ATEC No. 2; (f) if and when the Coordinating District is required to include property within its boundaries in accordance with the CABEA and impose its mill levies in accordance with the Coordinating District Revenue Pledge Agreement, the Coordinating District; (g) each Additional Residential District, if any; and (h) each Additional District, if any.

*“First Debt Service Mill Levy Imposition Year”* means:

(a) with respect to the District No. 2 Required Debt Service Mill Levy, the first year in which the District No. 2 Assessed Value is equal to or more than \$10,000,000;

(b) with respect to an Additional Residential District Required Debt Service Mill Levy, the earlier to occur of:

(i) the first tax levy year in which the Financing District the property from which was excluded for inclusion into such Additional Residential District is obligated to impose its Required Debt Service Mill Levy under its applicable Revenue Pledge Agreement; *or*

(ii) the first tax levy year in which such Additional Residential District is legally authorized to impose its mill levies; and

(c) with respect to an Additional District Required Debt Service Mill Levy: the first tax levy year in which such Additional District is legally authorized to impose its mill levies.

*“Governing Boards”* means, collectively, the Authority Board and the Boards.

*“Long Term Capital Improvements Plan”* means the long term financing plan developed by the Authority and the Financing Districts to fund the Public Improvements, which plan contemplates the issuance by the Authority from time to time of bonds and other obligations to finance and refinance such Public Improvements, and which plan contemplates updates by the Authority from time to time to take into account changing real estate and financial markets, construction costs, availability of construction materials and such other matters as may arise over such extended period of time.

*“Maximum Mill Levy Imposition Term”* has the meaning set forth in the Service Plan, provided that to the extent the provisions of the Service Plan relating to the Maximum Mill Levy Imposition Term are revised after the date of this Agreement, such revisions shall apply to this defined term, its meaning within this Agreement, and the application thereof hereunder.

*“Payment Obligation”* has the meaning set forth in Section 2.02(c) hereof.

*“PILOT”* means the payment in lieu of taxes imposed pursuant to the PILOT Covenant.

[*“PILOT Covenant”* means certain Declaration of Payment in Lieu of Taxes made as of June 29, 2020 by Green Valley East, LLC, a Colorado limited liability company, GVR 470 LLC, a Colorado limited liability company, GVR King LLC, a Colorado limited liability company, SJSA Investments, LLC, a Nevada limited liability company, GVR King Commercial, LLC, a Colorado limited liability company, Aurora Highlands, LLC, a Nevada limited liability company, Aurora Highlands Holdings, LLC, a Colorado limited liability company, Aurora Tech Center Holdings, LLC, a Colorado limited liability company, and Aurora Tech Center Development, LLC, a Colorado limited liability company and recorded on June 30, 2020, at Reception No. 2020000059148 in the Adams County records, [as amended pursuant to \_\_\_\_\_], providing for a payment in lieu of taxes charged against certain real and personal property described therein, which real and personal property has been deemed by the County Assessor to be exempt from payment of ad valorem taxes, all as set forth in the PILOT Covenant.]

*“PILOT Revenues”* means all revenue derived from the imposition and collection of the PILOT in accordance with the PILOT Covenant.

*“Prior Agreement”* means the District No. 2 Residential Capital Pledge Agreement dated June 30, 2020 by and among the Authority, District No. 2, and Zions Bancorporation, National Association.

*“Public Improvements”* means the Authorized Improvements serving and supporting the Developments.

*“Required Debt Service Mill Levy”* means, as applicable, any one or more of the following: (a) the District No. 1 Required Debt Service Mill Levy; (b) the District No. 2 Required Debt Service Mill Levy; (c) the District No. 3 Required Debt Service Mill Levy; (d) the Coordinating District Required Debt Service Mill Levy; (e) the ATEC No. 1 Required Debt Service Mill Levy; (f) the ATEC No. 2 Required Debt Service Mill Levy; (g) an Additional District Required Debt Service Mill Levy; and/or (h) an Additional Residential District Required Debt Service Mill Levy.

“*Revenue Pledge Agreement*” means, as applicable, any one or more of the following: (a) the District No. 1 Revenue Pledge Agreement; (b) the District No. 2 Revenue Pledge Agreement; (c) the District No. 3 Revenue Pledge Agreement; (d) the Coordinating District Revenue Pledge Agreement; (e) the ATEC No. 1 Revenue Pledge Agreement; (f) the ATEC No. 2 Revenue Pledge Agreement; (g) an Additional District Revenue Pledge Agreement; and/or (h) an Additional Residential District Revenue Pledge Agreement.

“*Service Plan*” means the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 approved by City Council pursuant to Resolution No. R2017-69 adopted on October 16, 2017, as the same may be amended or modified from time to time.

“*Service Plans*” means, collectively: (a) the Service Plan (which constitutes the service plan for District No. 2, District No. 1 and District No. 3; (b) the Coordinating District Service Plan; and (c) the ATEC Service Plan (which constitutes the service plan for ATEC No. 1 and ATEC No. 2.

“*Service Area*” means the real property identified as such in the CABEA, being the service area of the Authority.

“*Special District Act*” means Title 32, Article 1, C.R.S.

“*State*” means the State of Colorado.

“*Supplemental Act*” means Title 11, Article 57, Part 2, C.R.S.

“*Tax Certificate*” means the certificate to be signed by the Authority relating to the requirements of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended and in effect as of any applicable date, in connection with the issuance or reissuance of CAB Obligations.

“*Termination Date*” means first date on which all of following have occurred: (a) no CAB Obligations are then outstanding; (b) all assets of the Authority have been conveyed to another governmental entity in accordance with the CABEA and other applicable State law; and (c) the Authority has been dissolved.

## **ARTICLE II**

### **PAYMENT OBLIGATION**

#### **Section 2.01. Electoral Authorization.**

(a) The authorization for taxation, issuance of debt, multiple fiscal year financial obligations, and other constitutional matters requiring voter approval for purposes of this Agreement was obtained pursuant to the District No. 2 Election. The performance by District No. 2 of its obligations under this Agreement requires no further electoral approval.

(b) ***Limits of Electoral Authorization.*** In no event shall the total or annual obligations of District No. 2 hereunder exceed the maximum amounts permitted under the District No. 2 Election. Upon payment by District No. 2 hereunder of the maximum amounts authorized by the District No. 2 Election, the obligations of District No. 2 under this Agreement will be deemed defeased and no longer outstanding.

**Section 2.02. Multiple Fiscal Year Financial Obligations; Payment Obligation.**

(a) The obligations of District No. 2 under this Agreement constitute multiple fiscal year financial obligations of District No. 2.

(b) District No. 2 shall impose its District No. 2 Required Debt Service Mill Levy and its District No. 2 Required Operations Mill Levy as provided in Sections 2.04 and 2.05 herein.

(c) For the purposes of providing revenue to the Authority to fund the repayment of CAB Obligations issued by the Authority in an amount not to exceed \$4,000,000,000 and to fund CAB Operating Costs in an aggregate amount not to exceed \$4,000,000,000 annually, District No. 2 shall transfer or cause to be transferred to or at the direction of the Authority all District No. 2 Revenues as soon as practicable after the receipt thereof (the "Payment Obligation").

**Section 2.03. Prepayment Prohibited.** Because the actual dollar amount of District No. 2's obligations hereunder cannot be ascertained with any certainty at any time, District No. 2 shall not be permitted at any time to prepay its obligations hereunder.

**Section 2.04. Imposition of District No. 2 Required Debt Service Mill Levy.** Commencing on the Effective Date and, subject to the limitations of the Maximum Mill Levy Imposition Term, continuing through and including the year in which the Termination Date occurs:

(a) District No. 2 covenants and agrees to levy or cause to be levied on all of the taxable property of District, in addition to all other taxes, direct annual taxes in each year in the amount of the District No. 2 Required Debt Service Mill Levy. Nothing herein shall be construed to require District No. 2 to impose a debt service mill levy which is (i) in excess of the District No. 2 Required Debt Service Mill Levy or (ii) in contravention of the Maximum Mill Levy Imposition Term.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of District No. 2 is located, showing the aggregate amount of District No. 2's debt service mill levy to be levied from time to time.

(c) The amount of revenue derived from the performance of District No. 2's obligations to impose the District No. 2 Required Debt Service Mill Levy each year as provided in Section 2.04(a) above are hereby appropriated for the purpose of paying such amounts to the Authority to pay and secure CAB Obligations, and such amounts as

appropriate for each year shall be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year.

(d) It shall be the duty of District No. 2, annually, at the time and in the manner provided by law for the levying of District No. 2's taxes, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes specified in this Section 2.04, and the Board shall levy, certify, and collect such taxes in the manner provided by law.

(e) The ad valorem property taxes specified in this Section 2.04 shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to District No. 2 as provided by law, and District No. 2 shall pay such amounts to the Authority as provided herein.

(f) The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Section 2.04.

**Section 2.05. Imposition of District No. 2 Required Operations Mill Levy.** Commencing on the Effective Date and continuing through and including the year in which the Termination Date occurs:

(a) District No. 2 covenants and agrees to levy or cause to be levied on all of the taxable property of District, in addition to all other taxes, direct annual taxes in each year in the amount of the District No. 2 Required Operations Mill Levy. Nothing herein shall be construed to require District No. 2 to impose an operations mill levy which is in excess of the District No. 2 Required Operations Mill Levy.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of District No. 2 is located, showing the aggregate amount of District No. 2's operations mill levy to be levied from time to time.

(c) The amount of revenue derived from the performance of District No. 2's obligations to impose the District No. 2 Required Operations Mill Levy each year as provided in Section 2.05(a) above are hereby appropriated for the purpose of paying such amounts to the Authority to fund CAB Operating Costs, and such amounts as appropriate for each year shall be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year.

(d) It shall be the duty of District No. 2, annually, at the time and in the manner provided by law for the levying of District No. 2's taxes, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes specified in this Section 2.05, and the Board shall levy, certify, and collect such taxes in the manner provided by law.

(e) The ad valorem property taxes specified in this Section 2.05 shall be levied, assessed, collected, and enforced at the time and in the form and manner and with

like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to District No. 2 as provided by law, and District No. 2 shall pay such amounts to the Authority as provided herein.

(f) The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Section 2.05.

#### **Section 2.06. Payment and Application of District No. 2 Revenues.**

(a) District No. 2 hereby agrees to remit to or at the direction of the Authority, as soon as is practicable upon the receipt thereof, all amounts constituting District No. 2 Revenues.

(b) All amounts payable by District No. 2 hereunder shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to or at the direction of the Authority.

(c) Subject to applicable law and the provisions of the CABEA, the CAB shall apply all District No. 2 Revenues in the manner, to the purposes, at the times and in the amounts as determined by the Authority Board, in its sole discretion.

#### **Section 2.07. No Impairment of Obligations.**

(a) No provisions of any constitution, statute, resolution or other order or measure enacted after the Effective Date of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 2 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 2 to levy, administer, enforce and collect the ad valorem property taxes as provided herein, or as limiting or impairing the obligation of District No. 2 to transfer all District No. 2 Revenues to or at the direction of the Authority.

(b) In addition, and without limiting the generality of the foregoing Section 2.07(a), the obligations of District No. 2 to transfer funds to or at the direction of the Authority as provided herein shall survive any court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of District No. 2 to properly disclose, pursuant to State law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of meetings of District No. 2 as set forth in its official minutes.

**Section 2.08. Limited Defenses; Specific Performance.** District No. 2 understands and agrees that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and District No. 2 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, the Authority, or impair the ability of the Authority or its designated agent to receive transfers of District No. 2 Revenues payable hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of District No. 2, in the event that District No. 2 believes that it has valid defenses, setoffs, counterclaims, or other

claims other than specifically permitted by this Section 2.08, it shall, nevertheless, make all transfers of District No. 2 Revenues as described herein and then may attempt or seek to recover such revenue or portions thereof by actions at law or in equity for damages or specific performance, respectively.

#### **Section 2.09. Future Exclusion of Property.**

(a) The parties to this Agreement hereby agree that District No. 2's obligations under this Agreement to impose the District No. 2 Required Debt Service Mill Levy and transfer the District No. 2 Revenues allocable thereto to or at the direction of the Authority as provided herein constitutes "indebtedness" as contemplated by Section 32-1-503, C.R.S. Any property excluded from District No. 2 after the date hereof is to remain liable for the imposition of the District No. 2 Required Debt Service Mill Levy (and the transfer of the District No. 2 Revenues allocable thereto to or at the direction of the Authority) in accordance with the provisions hereof, to the same extent as such property that, by virtue of being included within the boundaries of District No. 2, shall be and remain liable for indebtedness of District No. 2, as provided in Section 32-1-503, C.R.S.

(b) Notwithstanding the provisions of Section 2.09(a) above, in order to prevent double taxation:

(i) if such excluded property is included into District No. 1, District No. 3, or an Additional Residential District, then such excluded property is to remain liable for the imposition of the District No. 1 Required Debt Service Mill Levy until the earlier to occur of such time as: (A) District No. 1 begins imposing the District No. 1 Required Debt Service Mill Levy; (B) District No. 3 begins imposing the District No. 3 Required Debt Service Mill Levy; or (C) the Additional Residential District begins imposing the Additional Residential District Required Debt Service Mill Levy, at which time such property is to be liable only for the District No. 1 Required Debt Service Mill Levy, the District No. 3 Required Debt Service Mill Levy, or the Additional Residential District Required Debt Service Mill Levy, as applicable;

(ii) if such excluded property is included into ATEC No. 1, ATEC No. 2, or an Additional District, then such excluded property is to remain liable for the imposition of the District No. 2 Required Debt Service Mill Levy until the earlier to occur of such time as: (A) ATEC No. 1 begins imposing the ATEC No. 1 Required Debt Service Mill Levy; (B) ATEC No. 2 begins imposing the ATEC No. 2 Required Debt Service Mill Levy; or (C) the Additional District begins imposing the Additional District Required Debt Service Mill Levy, at which time such property is to be liable only for the ATEC No. 1 Required Debt Service Mill Levy; the ATEC No. 2 Required Debt Service Mill Levy; or the Additional District Required Debt Service Mill Levy, as applicable;

(iii) if such excluded property is included into the Coordinating District, then such excluded property is to remain liable for the imposition of the

District No. 2 Required Debt Service Mill Levy until such time as the Coordinating District begins imposing the Coordinating District Required Debt Service Mill Levy, if ever, at which time, if it occurs, such property is to be liable only for the Coordinating District Required Debt Service Mill Levy.

(c) In the event that any court order providing for the exclusion of property from District No. 2 does not specify that such excluded property is liable for the obligations relating to the District No. 2 Required Debt Service Mill Levy as set forth herein, District No. 2 hereby agrees to take or cause to be taken all commercially reasonable actions to cause the property owners of such excluded property to covenant to assume all responsibilities relating to the District No. 2 Required Debt Service Mill Levy under this Agreement, and the Authority shall have the right to approve the form and content of any such covenant.

**Section 2.10. No District No. 2 Obligations.** District No. 2 shall not issue or incur any obligations or enter into any agreements obligating District No. 2 to levy ad valorem property taxes for the payment thereof, pay District No. 2 Revenue or any portion thereof to any person other than the Authority (or as directed in writing by the Authority), conflict with the provisions of this Agreement, or otherwise encumber in any manner the District No. 2 Revenue or any portion thereof.

**Section 2.11. Additional Covenants.**

(a) At least once a year, District No. 2 will either cause an audit to be performed of the records relating to its revenues and expenditures or, if applicable under State statute, will apply for an audit exemption, and District No. 2 shall use its best efforts to have such audit report or application for audit exemption completed no later than September 30 of each calendar year. The foregoing covenant will apply notwithstanding any different time requirements for the completion of such audit or application for audit exemption under State law. In addition, at least once a year in the time and manner provided by law, District No. 2 will cause a budget to be prepared and adopted. Copies of the budget and the audit or audit exemption will be filed and recorded in the places, time, and manner provided by law.

(b) District No. 2 agrees to make best efforts to assist Aurora Highlands LLC, ATEC Development LLC, and the Authority in the provision of information on an ongoing basis concerning development occurring within the boundaries of District No. 2 in accordance with the requirements of any continuing disclosure obligations entered into by the Authority in connection with any CAB Obligations.

(c) District No. 2 agrees to comply on an ongoing basis with all of the requirements of any and all Tax Certificates relating to restrictions on the use of the property that is acquired and financed or refinanced with proceeds of CAB Obligations and located within the jurisdiction of District No. 2. District No. 2 agrees, promptly upon request by the Authority, to provide the Authority (or to any person as directed in writing by the Authority) with information necessary for the Authority to comply on an ongoing basis with the requirements of a Tax Certificate.

(d) District No. 2 shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might impair its ability to comply with or terminate its obligations hereunder.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES**

**Section 3.01. Representations and Warranties of District No. 2.** District No. 2 hereby makes the following representations and warranties with respect to itself:

(a) It is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State.

(b) It has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. Its execution, delivery, and performance of this Agreement has been duly authorized by all necessary action.

(c) It is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder. The execution, delivery and performance by it of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting its operations or activities in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of its revenues or other assets pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which it is a party other than the lien and encumbrance created by the terms of this Agreement or which purports to be binding upon it or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) It has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by it of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which it is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best of its knowledge threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best of its knowledge is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of it to perform its obligations under, this Agreement.

(f) This Agreement constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

## **ARTICLE IV**

### **EVENTS OF DEFAULT AND REMEDIES**

**Section 4.01. Events of Default.** The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) District No. 2 fails or refuses to impose the District No. 2 Required Operations Mill Levy or the District No. 2 Required Debt Service Mill Levy or to remit the District No. 2 Revenues as required by the terms of this Agreement;

(b) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto;

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) hereof and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(e) District No. 2 commences proceedings for dissolution or consolidation with another metropolitan district during the term of this Agreement.

**Section 4.02. Remedies For Events of Default.** Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

## **ARTICLE V**

### **MISCELLANEOUS**

**Section 5.01. Pledge of District No. 2 Revenues.** The creation, perfection, enforcement, and priority of the pledge of District No. 2 Revenues to secure District No. 2's Payment Obligation shall be governed by Section 11-57-208 of the Supplemental Act and this Agreement. The District No. 2 Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against District No. 2 and/or the Authority irrespective of whether such persons have notice of such lien.

**Section 5.02. No Recourse against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board of District No. 2, or any officer or agent of District No. 2 acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or District No. 2, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this Agreement and as a part of the consideration hereof, each of District No. 2 and the Authority specifically waives any such recourse.

**Section 5.03. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, this Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act (other than the provisions of 11-57-207(1)(a), C.R.S. relating to a forty-year maturity with respect to securities issued by a public entity which the Authority and District No. 2 have elected not to apply), and such recital is conclusive evidence of the validity and the regularity of this Agreement after its delivery for value.

**Section 5.04. Limitation of Actions.** Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this Agreement shall be commenced more than 30 days after the authorization of this Agreement.

**Section 5.05. Notices.** Except as otherwise provided herein, all notices, consents or approvals required or permitted to be given under this Agreement shall be in writing and shall be

hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

If to the Authority:

The Aurora Highlands Community Authority Board  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, Colorado 80111  
Attention: Denise Denslow  
Telephone: 303.779.5710  
Email: [denise.denslow@claconnect.com](mailto:denise.denslow@claconnect.com)

With a copy to:

The Aurora Highlands Community Authority Board  
c/o McGeady Becher P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203-1254  
Telephone: 303.592.4380  
Email: [legalnotices@specialdistrictlaw.com](mailto:legalnotices@specialdistrictlaw.com)

If to District No. 2:

The Aurora Highlands Metropolitan District No. 2  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Englewood, Colorado 80111  
Attention: Denise Denslow  
Telephone: 303-779-5710  
Email: [denise.denslow@claconnect.com](mailto:denise.denslow@claconnect.com)

With a copy to:

**Collins Cockrel & Cole**  
390 Union Blvd. Suite 400  
Denver, Colorado 80228-1556  
Telephone: (303) 986-1551  
Email: [mruehland@cccfirm.com](mailto:mruehland@cccfirm.com)  
Attention: Matt Ruehland

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one day after hand delivery or three days after mailing. Any of District No. 2 and/or the Authority, by written notice so provided, may change the address to which future notices shall be sent.

## Section 5.06. Miscellaneous.

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this

Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) This Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties.

(d) This Agreement shall be governed by and construed under the laws of the State of Colorado without giving effect to conflicts of laws principles.

(e) Venue for any and all claims brought by any party to enforce any provisions of this Agreement shall be the District Court in and for the County of Adams, State of Colorado.

(f) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties.

(g) If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Agreement, shall be a Saturday, Sunday, legal holiday or a day on which U.S. banking institutions are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement.

(h) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(i) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(j) The Authority shall have the right to access and review District No. 2's records and accounts, on reasonable times during regular daytime office hours, for purposes of determining compliance by District No. 2 with the terms of this Agreement. Such access shall be subject to the provisions of the Public Records Act of the State contained in Article 72 of Title 24, C.R.S. In the event of disputes or litigation between

the parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

(k) District No. 2 hereby covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of its respective obligations hereunder.

**Section 5.07. Colorado Municipal Bond Supervision Act.** District No. 2 recognizes that its obligations under this Agreement to impose the District No. 2 Required Debt Service Mill Levy and the District No. 2 Required Operations Mill Levy and to remit the District No. 2 Revenues to or at the direction of the Authority in accordance with the provisions hereof may constitute a “bond” under Title 11, Article 59, C.R.S. (the “Colorado Municipal Bond Supervision Act”). Accordingly, District No. 2 has found and determined as set forth below, for purposes of the Colorado Municipal Bond Supervision Act:

(a) District No. 2 is obligated to remit the District No. 2 Revenues to or at the direction of the Authority for use by the Authority in the Authority’s sole discretion as all other legally available revenues of the Authority. District No. 2 understands that, subject to applicable law and the provisions of the CABEA, all or a portion of the District No. 2 Revenues payable to or at the direction of the Authority hereunder may be used by the Authority to pay CAB Operating Expenses, and also that all or a portion of the District No. 2 Revenues payable by District No. 2 to or at the direction of the Authority hereunder may be pledged by the Authority as security or collateral for an issuance of CAB Obligations, which securities issued on or after the date hereof are anticipated to be issued in authorized denominations of \$500,000 or integral multiples of \$1,000 in excess thereof (provided that such securities issued by the Authority are not subject to the Colorado Municipal Bond Supervision Act). Furthermore, District No. 2 understands that the total principal amount of the securities issued by the Authority and payable, in part, from the District No. 2 Debt Service Revenues, is not expected to exceed \$4,000,000,000.

(b) With respect to District No. 2’s Payment Obligation hereunder resulting in amounts used by the Authority to pay CAB Operating Costs or other purposes not including a pledge as security or collateral for CAB Obligations, neither a registration application nor a claim of exemption under the Colorado Municipal Bond Supervision Act is required with respect thereto, in accordance with Interpretative Order No. 06-IN-001 issued by the State Securities Commissioner on March 23, 2006.

(c) No portion of District No. 2’s Payment Obligation hereunder is assignable by the Authority without the consent of District No. 2, and the Authority understands and acknowledges that in no event will District No. 2 consent to a partial assignment of such Payment Obligations.

(d) District No. 2’s Payment Obligation is not divisible, is deemed to be issued and transferable (if at all, in the sole discretion of District No. 2) in a single authorized denomination equal to the principal amount of the CAB Obligations issued by

the Authority from time to time (authorized in the principal amount of up to \$4,000,000,000), which will be not less than \$500,000 or integral multiples of \$1,000 in excess thereof, and is exempt from the registration requirements of the Colorado Municipal Bond Supervision Act in accordance with Rule 59-10.3. Such District has caused to be filed a claim of exemption under the Colorado Municipal Bond Supervision Act on such basis.

**Section 5.08. Effective Date and Termination Date.** This Agreement shall become effective as of the Effective Date and shall remain in effect until the Termination Date.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, District No. 2 and the Authority have executed this Agreement as of the day and year first above written.

**THE AURORA HIGHLANDS COMMUNITY  
AUTHORITY BOARD**, a political subdivision  
and public corporation duly organized and existing  
as a separate legal entity under the constitution and  
laws of the State of Colorado

---

President

ATTESTED:

---

Assistant Secretary

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 2**, a quasi-  
municipal corporation and political subdivision of  
the State of Colorado

---

President

ATTESTED:

---

Assistant Secretary

[Signature Page Revenue Pledge Agreement (District No. 2)]

**EXHIBIT A**

**DEBT BALLOT QUESTIONS  
DISTRICT NO. 2 ELECTION**

**REVENUE PLEDGE AGREEMENT (DISTRICT NO. 3)**

***BETWEEN***

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**

***AND***

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3**

**DATED DECEMBER \_\_, 2021**

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**REVENUE PLEDGE AGREEMENT  
(DISTRICT NO. 3)**

This **REVENUE PLEDGE AGREEMENT (DISTRICT NO. 3)** (this “Agreement”), is entered into on this \_\_\_\_ day of December, 2021, between **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**, a political subdivision and public corporation duly organized and existing as a separate legal entity under the constitution and laws of the State of Colorado (the “Authority”), and **THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 3”).

All capitalized terms used in and not otherwise defined in the recitals below shall have the respective meanings ascribed to such terms in Section 1.02 hereof.

On the Effective Date, this Agreement shall supersede and replace in its entirety that certain District No. 3 Residential Capital Pledge Agreement dated June 30, 2020 by and among the Authority, District No. 3, and Zions Bancorporation, National Association (the “Prior Agreement”).

**RECITALS**

WHEREAS, the Authority is a political subdivision and public corporation duly organized and existing as a separate legal entity under the constitution and laws of the State of Colorado (the “State”), including particularly the Act; and

WHEREAS, District No. 3 is a quasi-municipal corporation and political subdivision of the State duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly the Special District Act; and

WHEREAS, District No. 3 was organized by an Order and Decree of the District Court for Adams County, Colorado (the “District Court”), issued on November 15, 2004 and recorded in the public records of the Clerk and Recorder of Adams County, Colorado, on December 7, 2004; and

WHEREAS, District No. 3 petitioned for and received an Order Granting Petition for Name Change on August 14, 2017 from the District Court changing District No. 3’s name from Green Valley Ranch East Metropolitan District No. 1 to The Aurora Highlands Metropolitan District No. 3; and

WHEREAS, the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 was approved by the City Council of the City of Aurora, Colorado (the “City”), pursuant to Resolution No. R2017-69 adopted on October 16, 2017 (the “Service Plan”); and

WHEREAS, District No. 3 and the other Financing Districts are authorized by the Special District Act to furnish certain public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, stormwater, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission

in accordance with and subject to the limitations of their respective Service Plans (the “Authorized Improvements”); and

WHEREAS, District No. 3 and the other Financing Districts were formed for the purpose of, among other things, providing the Authorized Improvements; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., District No. 3, the other Financing Districts, and the Authority may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract (including the CABEA, defined below) may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt, and any such contract may be entered into for any period, notwithstanding any provision of law limiting the length of any financial contracts or obligations of governmental entities or authorities such as District No. 3, the other Financing Districts, and the Authority; and

WHEREAS, District No. 3, the other Financing Districts, and the Authority have entered into that certain First Amended and Restated Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 16, 2020 (the “CABEA”), pursuant to which the Authority was formed and certain goals, duties and obligations of the Financing Districts were established; and

WHEREAS, under their respective Service Plans and the CABEA, the Financing Districts and the Authority are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of the Authorized Improvements serving and supporting development within the Service Area of the Authority, including within the Financing Districts, The Aurora Highlands Development and the Aurora Tech Center Development (collectively, the “Developments”); and

WHEREAS, the Authority and the Financing Districts have developed a long term financing plan to fund the Authorized Improvements serving and supporting the Developments (collectively, the “Public Improvements”), which plan contemplates the issuance by the Authority from time to time of bonds and other obligations to finance and refinance such Public Improvements, and which plan contemplates updates from time to time by the Authority to take into account changing real estate and financial markets, construction costs, availability of construction materials and such other matters as may arise over an extended period of time (as so amended from time to time, the “Long Term Capital Improvements Plan”); and

WHEREAS, District No. 3 and the Authority have determined that the Public Improvements anticipated to be financed pursuant to the Long Term Capital Improvements Plan are needed and, due to the nature of the Public Improvements and proximity and interrelatedness of the Developments anticipated to occur within the Service Area of the Authority, will benefit the residents, property owners and taxpayers in District No. 3, in addition to the residents, occupants, property owners and taxpayers in the other Financing Districts; and

WHEREAS, Aurora Tech Center Development, LLC, a Colorado limited liability company (“ATEC Development LLC”), is the owner of certain real property located in the

Service Area of the Authority and commonly known as Aurora Tech Center (the “Aurora Tech Center Development”); and

WHEREAS, ATEC Development LLC has constructed or has caused the construction of certain Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, and is anticipated to construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts; and

WHEREAS, Aurora Highlands, LLC, a Nevada limited liability company (“Aurora Highlands LLC”), is an owner of certain real property located in the Service Area of the Authority and commonly known as The Aurora Highlands (“The Aurora Highlands Development” or “Aurora Highlands Development”), and has constructed or caused the construction of certain Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, and is anticipated to construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts; and

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) and the Boards of Directors of each of the Financing Districts (collectively, the “Governing Boards”) have determined that it is necessary to pay and/or reimburse ATEC Development LLC and Aurora Highlands LLC for the costs of such Public Improvements; and

WHEREAS, the Governing Boards have also determined that in the future other property owners, developers, homebuilders and others may also construct and/or cause the construction of additional Public Improvements within or otherwise serving the residents, occupants and property owners within the Service Area of the Authority and the residents, occupants, property owners and taxpayers of the Financing Districts, in furtherance of carrying out the Long Term Capital Improvements Plan; and

WHEREAS, for the purpose of financing and refinancing Public Improvements in furtherance of effectuating the Long Term Capital Improvements Plan, the Governing Boards have determined that the Authority shall from time to time issue bonds or other indebtedness (as more particularly defined in Section 1.02, hereof, the “CAB Obligations”); and

WHEREAS, for the purpose of providing funds to pay and secure CAB Obligations issued from time to time by the Authority, the Governing Boards have determined that each of the Financing Districts shall impose their respective debt service mill levies, and shall transfer the revenue derived therefrom to the Authority for application by the Authority in the manner determined by the Authority, in its sole discretion; provided that the Authority acknowledges that State law imposes restrictions on revenue derived from imposition of debt service mill levies; and

WHEREAS, for the purpose of funding from time to time the costs and expenses of the Authority relating to administration, operations, maintenance, and other general purposes (as more particularly defined in Section 1.02 hereof, the “CAB Operating Costs”), the Governing Boards have determined that each of the Financing Districts shall impose their respective operations and maintenance mill levies, and shall transfer the revenue derived therefrom to the Authority for application by the Authority in the manner determined by the Authority, in its sole discretion; and

WHEREAS, at an election of the eligible electors of District No. 3 duly called and held on November 8, 2016 in accordance with law and pursuant to due notice (the “District No. 3 Election”), a majority of eligible electors voting at such election voted in favor of, *inter alia*, the ad valorem property taxation by District No. 3 for the purposes of deriving revenue for payment of administration, operations and maintenance costs, and the entering into of one or more intergovernmental agreements by District No. 3 and issuance of debt and imposition of taxes for the payment thereof for the purpose of funding certain improvements and facilities, the ballot questions relating thereto being attached as Exhibit A hereto; and

WHEREAS, the returns of the District No. 3 Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the District No. 3 Election were certified by District No. 3 by certified mail to the governing body of a municipality that has adopted a resolution of approval of District No. 3 pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S., within 45 days after the District No. 3 Election; and

WHEREAS, pursuant to the District No. 3 Election, District No. 3 has the following amounts of voted authorization for the following purposes:

<b>Voted Debt Authorization District No. 3 Election</b>	
<b>Purpose</b>	<b>Principal Amount</b>
Street	\$4,000,000,000
Traffic and Safety	4,000,000,000
Water	4,000,000,000
Sanitation	4,000,000,000
Parks and recreation	4,000,000,000
Transportation	4,000,000,000
Mosquito Control	4,000,000,000
Fire Protection	4,000,000,000
Security	4,000,000,000
Television Relay and Translation	4,000,000,000
Intergovernmental Agreements	4,000,000,000
<b>TOTAL</b>	<b>\$44,000,000,000</b>

WHEREAS, regardless of its debt authorization pursuant to the District No. 3 Election, District No. 3’s Service Plan limits the total debt permitted to be issued by District No. 3 to \$4,000,000,000; and

WHEREAS, the Board of District No. 3 (the “Board”) has determined that District No. 3 shall impose its debt service mill levies and its operations mill levies in the amounts, at the times and as otherwise provided in this Agreement for the purposes of providing revenue to the

Authority to pay and secure CAB Obligations and to fund CAB Operating Costs, and District No. 3 shall transfer all such revenue to or at the direction of the Authority as soon as practicable after the receipt thereof (as more particularly defined in Section 1.02 hereof, the “Payment Obligation”); and

WHEREAS, the Board has determined that the execution and delivery of this Agreement and the performance of its obligations hereunder are in the best interests of District No. 3, its residents, its property owners, and its taxpayers; and

WHEREAS, the Authority shall in its sole discretion, subject to applicable law and the terms of the CABEA, determine how the moneys transferred to the Authority by District No. 3 in furtherance of satisfying District No. 3’s Payment Obligation hereunder shall be expended; provided, however, that in no event shall the Payment Obligation of District No. 3 hereunder exceed the limits set forth herein; and

WHEREAS, the Payment Obligation of District No. 3 made pursuant to this Agreement is made and issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan for District No. 3, and all other laws hereunto enabling; and

WHEREAS, Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”) provides that all or any provisions of the Supplemental Act may be applied by any public entity (which public entity includes any district organized or acting pursuant to the provisions of the Special District Act, such as District No. 3, and any authority organized or acting pursuant to the Act, such as the Authority) to securities (which securities include any financial contract authorized to be issued by such public entity under other laws of the State, such as this Agreement) issued by such public entity if the issuing authority (being the governing body of any public entity in which the laws of the State vest the authority to issue securities through an act of issuance) of such public entity elects in an act of issuance to so apply all or any provisions of the Supplemental Act to the issuance of such securities; and

WHEREAS, District No. 3 and the Authority specifically elect to apply all of the provisions of the Supplemental Act to this Agreement and the Payment Obligation other than the provisions of 11-57-207(1)(a), C.R.S., relating to a forty-year maturity with respect to securities issued by a public entity, which shall not apply to this Agreement nor to the Payment Obligation of District No. 3 hereunder; and

WHEREAS, the Board of District No. 3 hereby determines to allocate the maximum principal amount of its Payment Obligation under this Agreement as set forth below, provided, however, that such allocation is subject to change if the Board determines that an alternative allocation is necessary in order to effectuate the transactions contemplated under this Agreement and the CABEA, and any such variance shall not require an amendment to this Agreement or notice to or consent of any person; provided, however, that District No. 3 shall make (or cause to be made) the appropriate notations and updates as to the actual uses of such electoral authorization in its annual audited financial statements:

<b>District No. 3 Election Allocation of Voted Authorization</b>			
<b>Purpose</b>	<b>Voted Authorization Available</b>	<b>Voted Authorization Allocated to Revenue Pledge Agreement (District No. 3)</b>	<b>Voted Authorization Remaining</b>
Street	\$4,000,000,000	\$-0-	\$4,000,000,000
Traffic and Safety	4,000,000,000	-0-	4,000,000,000
Water	4,000,000,000	-0-	4,000,000,000
Sanitation	4,000,000,000	-0-	4,000,000,000
Parks and recreation	4,000,000,000	-0-	4,000,000,000
Transportation	4,000,000,000	-0-	4,000,000,000
Mosquito Control	4,000,000,000	-0-	4,000,000,000
Fire Protection	4,000,000,000	-0-	4,000,000,000
Security	4,000,000,000	-0-	4,000,000,000
Television Relay and Translation	4,000,000,000	-0-	4,000,000,000
Intergovernmental Agreements	4,000,000,000	4,000,000,000	-0-
<b>TOTAL</b>	<b><u>\$44,000,000,000</u></b>	<b><u>\$4,000,000,000</u></b>	<b><u>\$40,000,000,000</u></b>

; and

WHEREAS, District No. 3 has duly authorized the execution and delivery of this Agreement; and

WHEREAS, upon the execution and delivery of this Agreement, the Prior Agreement shall terminate, be cancelled, and no longer be in force or effect; and

WHEREAS, all things necessary to make this Agreement the valid obligation of District No. 3, in accordance with their and its terms, have been done.

## **COVENANTS**

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01. Interpretation.** In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement, the term “now” means the date of execution of this Agreement, and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals hereto and Section 1.02 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

**Section 1.02. Definitions.** As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout this Agreement shall have the respective meanings set forth in the Recitals hereto and below:

“*Act*” means Title 29, Article 1, Part 2, C.R.S.

“*Additional District*” means an Eligible District the property within which has been or is planned to be developed for non-residential uses and/or Alternative Residential Uses.

“*Additional District Required Debt Service Mill Levy*” means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 29 mills; *provided, however*, that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation with respect to any class or classes of property (as classified by the County Assessor) upon which the Additional District is authorized to impose its mill levy, or any constitutionally mandated tax credit, cut or abatement having an impact on any class or classes of property upon which the Additional District is authorized to impose its mill levy, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional District Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional District’s electoral authorization, and if the Additional District Required Debt Service Mill Levy as calculated pursuant to the

foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional District's electoral authorization or create a material departure from its service plan, the Additional District Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional District's service plan occurs.

*"Additional District Required Operations Mill Levy"* means:

(a) Subject to paragraphs (b) and (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Additional District each year in the amount of 35 mills *less* the number of mills equal to the applicable Additional District Required Debt Service Mill Levy; *provided, however*, that if, on or after January 1, 2004, there are changes in the method of calculating assessed valuation with respect to any class or classes of property (as classified by the County Assessor) upon which the Additional District is authorized to impose its mill levy, or any constitutionally mandated tax credit, cut or abatement having an impact on any class or classes of property upon which the Additional District is authorized to impose its mill levy, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) If the Authority determines that the number of mills to be imposed by the Additional District in the current tax levy year as calculated pursuant to paragraph (a) above would derive tax revenue in the related tax collection year in an amount greater than the amount of revenue necessary to fund the CAB Operations Annual Budget for the Fiscal Year corresponding to such tax collection year and if, prior to December 1 of such tax levy year, the Authority provides to the Additional District a writing directing the Additional District to impose a mill levy of fewer mills than would otherwise be imposed if calculated pursuant to paragraph (a) above and such writing specifies the number of mills to be imposed by the Additional District in such tax levy year, the Additional District may impose such lesser number of mills as set forth in such writing from the Authority and such lesser number of mills shall constitute the Additional District Required Operations Mill Levy for that tax levy year.

(c) Notwithstanding anything herein to the contrary, in no event may the Additional District Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional District's electoral authorization, and if the Additional District Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional District's electoral authorization or create a material departure from its service plan, the Additional District Required Operations Mill

Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional District's service plan occurs.

*"Additional District Revenue Pledge Agreement"* means an agreement between an Additional District and the Authority having substantially the same terms as this Agreement, the revenue from which the Authority has pledged to CAB Obligations which constitute the same CAB Obligations to which the Authority has pledged the District No. 1 Debt Service Revenues.

*"Additional Residential District"* means an Eligible District the property within which has been or is planned to be developed for residential uses *other than* Alternative Residential Uses.

*"Additional Residential District Required Debt Service Mill Levy"* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional Residential District each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 50 mills; *provided, however*, 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, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional Residential District Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional Residential District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional Residential District's electoral authorization, and if the Additional Residential District Required Debt Service Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional Residential District's electoral authorization or create a material departure from its service plan, the Additional Residential District Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional Residential District's service plan occurs.

*"Additional Residential District Required Operations Mill Levy"* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the applicable Additional Residential District each year in the amount of 70 mills *less* the number of mills equal to the applicable Additional Residential Required Debt Service Mill Levy; *provided, however*, 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, such mill levy shall be increased or decreased 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Additional Residential District Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of its service plan, or cause the Additional Residential District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Additional Residential District's electoral authorization, and if the Additional Residential District Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Additional Residential District's electoral authorization or create a material departure from its service plan, the Additional Residential District Required Operations Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Additional Residential District's service plan occurs.

*"Additional Residential District Revenue Pledge Agreement"* means an agreement between an Additional Residential District and the Authority having substantially the same terms as this Agreement, the revenue from which the Authority has pledged to CAB Obligations which constitute the same CAB Obligations to which the Authority has pledged the District No. 1 Debt Service Revenues.

*"Agreement"* means this Revenue Pledge Agreement (District No. 3) and any amendment hereto made in accordance herewith.

*"Alternative Residential Uses"* means (a) any residential use which comprises or is planned to comprise any portion of a mixed-use development, and/or (b) real property that is developed or anticipated to be developed for residential uses having or allowing a density equal to or exceeding fifteen (15) units to the acre.

*"ATEC Development LLC"* means Aurora Tech Center Development, LLC, a Colorado limited liability company and owner of certain real property in the Aurora Tech Center Development, its successors and permitted assigns.

*"ATEC No. 1"* means ATEC Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*"ATEC No. 1 Required Debt Service Mill Levy"* has the meaning set forth in the ATEC No. 1 Revenue Pledge Agreement.

*"ATEC No. 1 Revenue Pledge Agreement"* means that certain Revenue Pledge Agreement (ATEC No. 1), dated as of December \_\_\_, 2021, between the Authority and ATEC No. 1.

“*ATEC No. 2*” means ATEC Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, its successors and assigns.

“*ATEC No. 2 Required Debt Service Mill Levy*” has the meaning set forth in the ATEC No. 2 Revenue Pledge Agreement.

“*ATEC No. 2 Revenue Pledge Agreement*” means that certain Revenue Pledge Agreement (ATEC No. 2), dated as of December \_\_\_, 2021, between the Authority and ATEC No. 2.

“*ATEC Service Plan*” means the Service Plan for ATEC Metropolitan District Nos. 1 and 2 approved by City Council pursuant to Resolution No. R2018-74 adopted on August 6, 2018, as the same may be amended or modified from time to time.

“*Aurora Highlands Development*” or “*The Aurora Highlands Development*” means real property located in the Service Area of the Authority and commonly known as The Aurora Highlands.

“*Aurora Highlands LLC*” means Aurora Highlands, LLC, a Nevada limited liability company and owner of certain real property in the The Aurora Highlands Development, its successors and permitted assigns.

“*Aurora Tech Center Development*” means the planned development anticipated to consist of industrial and other non-residential uses and anticipated to occur generally East of Powhatan Road within the Service Area of the Authority.

“*Authority*” means The Aurora Highlands Community Authority Board, a public corporation and political subdivision duly organized and existing under the constitution and laws of the State, including particularly the Act.

“*Authority Board*” means the the lawfully organized Board of Directors of the Authority, being the governing body thereof.

“*Authorized Improvements*” means the public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, stormwater, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission, that District No. 3 and the other Financing Districts are authorized by the Special District Act to furnish certain in accordance with and subject to the limitations of their respective Service Plans.

“*Board*” means the lawfully organized Board of Directors of District No. 3, being the governing body thereof.

“*Board of County Commissioners*” means the Board of County Commissioners for Adams County, Colorado.

“*Boards*” means, collectively, the lawfully organized Boards of Directors of each of the Financing Districts, being the governing bodies thereof, respectively.

“*CAB Obligations*” means bonds, loans, notes and other obligations issued by the Authority (a) for the purpose of financing and refinancing Public Improvements in furtherance of effectuating the Long Term Capital Improvements Plan and (b) which constitute a multiple fiscal year financial obligation of the Authority, the payment of which is not subject to annual budget and appropriation by the Authority Board.

“*CAB Operating Costs*” means the costs and expenses from time to time of the Authority relating to: (a) the existence and operation of the Authority, the Districts and the Coordinating District, including administration, statutory compliance and other general purposes, and (b) the operation and maintenance of the Public Improvements; whether paid or payable by the Authority directly or reimbursed or reimbursable by the Authority in accordance with one or more advance or funding agreements.

“*CAB Operations Annual Budget*” means, with respect to any applicable year (which year constitutes a tax levy year within the meaning of this Agreement), the final budget approved and adopted by the Authority Board for the related Fiscal Year (which year constitutes a tax collection year within the meaning of this Agreement).

“*CABEA*” means the First Amended and Restated Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 16, 2020 by and among the Financing Districts and the Authority, as the same may be modified, amended or restated from time to time in accordance with the provisions thereof.

“*City*” means the City of Aurora, Colorado.

“*City Council*” means the City Council of the City of Aurora, Colorado, being the governing body thereof.

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, Part 1, C.R.S.

“*Coordinating District*” means the Aerotropolis Area Coordinating Metropolitan District, in the City of Aurora, Adams County, Colorado, its successors and assigns.

“*Coordinating District Service Plan*” means the First Amended and Restated Service Plan for Aerotropolis Area Coordinating Metropolitan District approved by City Council pursuant to Resolution No. R2017-67 adopted on October 16, 2017, as the same may be amended or modified from time to time.

“*Coordinating District Required Debt Service Mill Levy*” has the meaning assigned to such term in the Coordinating District Revenue Pledge Agreement.

“*Coordinating District Revenue Pledge Agreement*” means the Revenue Pledge Agreement dated December \_\_\_, 2021 between the Authority and the Coordinating District.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*County*” means Adams County, Colorado.

*“County Treasurer”* means the Treasurer of Adams County, Colorado.

*“Developments”* means, collectively, the development within the Financing Districts, including The Aurora Highlands Development and the Aurora Tech Center Development.

*“District No. 1”* means The Aurora Highlands Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 1 Required Debt Service Mill Levy”* has the meaning set forth in the District No. 1 Revenue Pledge Agreement.

*“District No. 1 Revenue Pledge Agreement”* means that certain Revenue Pledge Agreement dated as of December \_\_\_, 2021, between the Authority and District No. 1.

*“District No. 2”* means The Aurora Highlands Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 2 Required Debt Service Mill Levy”* has the meaning set forth in the District No. 2 Revenue Pledge Agreement.

*“District No. 2 Revenue Pledge Agreement”* means that certain Revenue Pledge Agreement dated as of December \_\_\_, 2021, between the Authority and District No. 2.

*“District No. 3”* means The Aurora Highlands Metropolitan District No. 3, in the City of Aurora, Adams County, Colorado, its successors and assigns.

*“District No. 3 Assessed Value”* means the assessed valuation of the taxable property of District No. 3, as certified from time to time by the applicable county assessor.

*“District No. 3 Debt Service PILOT Revenues”* means that portion of PILOT Revenues allocable to the District No. 3 Required Debt Service Mill Levy.

*“District No. 3 Debt Service Property Tax Revenues”* means all moneys derived from imposition by District No. 3 of the District No. 3 Required Debt Service Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

*“District No. 3 Debt Service Revenues”* means, collectively, the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 3 Debt Service Property Tax Revenues;
- (b) all District No. 3 Debt Service Specific Ownership Tax Revenues; and
- (c) all District No. 3 Debt Service PILOT Revenues.

*“District No. 3 Debt Service Specific Ownership Tax Revenues”* means the specific ownership taxes remitted to District No. 3 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the District No. 3 Required Debt Service Mill Levy.

*“District No. 3 Election”* means the election of the eligible electors of District No. 3 duly called and held on November 8, 2016 in accordance with law and pursuant to due notice.

*“District No. 3 Operations PILOT Revenues”* means that portion of the PILOT Revenues allocable to the District No. 3 Required Operations Mill Levy.

*“District No. 3 Operations Property Tax Revenues”* means all moneys derived from imposition by District No. 3 of the District No. 3 Required Operations Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

*“District No. 3 Operations Revenues”* means, collectively, the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 3 Operations Property Tax Revenues;
- (b) all District No. 3 Operations Specific Ownership Tax Revenues; and
- (c) all District No. 3 Operations PILOT Revenues.

*“District No. 3 Operations Specific Ownership Tax Revenues”* means the specific ownership taxes remitted to District No. 3 pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the District No. 3 Required Operations Mill Levy.

*“District No. 3 Required Debt Service Mill Levy”* means:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 3 each year, commencing in the First Debt Service Mill Levy Imposition Year, in the amount of 50 mills; *provided, however*, 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, such mill levy shall 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) As a result of changes in the ratio of assessed valuation to actual valuation occurring on or after January 1, 2004 (at which time such ratio was 7.96%), the Board has determined that the levy of 50.000 mills stated in paragraph (a) above is, as of the Effective Date (at which time such ratio is 7.15%), 55.664 mills, and such number of mills is subject to further adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement occurring after the Effective Date.

(b) Notwithstanding anything herein to the contrary, in no event may the District No. 3 Required Debt Service Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause District No. 3 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 3's electoral authorization, and if the District No. 3 Required Debt Service Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 3's electoral authorization or create a material departure from the Service Plan, the District No. 3 Required Debt Service Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

*"District No. 3 Required Operations Mill Levy"* means:

(c) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of District No. 3 each year in an amount which will generate tax revenue that, when combined with the other Operations Revenue in the related tax collection year, would equal the Operations Budget for the Fiscal Year corresponding to such tax collection year, but not in excess of seventy (70) mills, *provided, however*, 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, such mill levy shall be increased or decreased 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 such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

As a result of changes in the ratio of assessed valuation to actual valuation occurring on or after January 1, 2004 (at which time such ratio was 7.96%), the Board has determined that the levy of 70.000 mills stated in paragraph (a) above is, as of the Effective Date (at which time such ratio is 7.15%), 77.930 mills, and such number of mills is subject to further adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement occurring after the Effective Date.

(b) Notwithstanding anything herein to the contrary, in no event may the District No. 3 Required Operations Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause District No. 3 to derive tax revenue in any year in excess of the maximum tax increases permitted by District No. 3's electoral authorization, and if the District No. 3 Required Operations Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by District No. 3's electoral authorization or create a material departure from the Service Plan, the District No. 3 Required Operations Mill Levy shall be reduced to the point that such

maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

“*District No. 3 Revenues*” means the following, net of any costs of collection (to the extent not previously deducted by definition):

- (a) all District No. 3 Debt Service Revenues; and
- (b) all District No. 3 Operations Revenues.

“*Effective Date*” means the date on which this Agreement is executed and delivered by the Authority and District No. 3.

“*Eligible District*” means a metropolitan district duly organized and existing under the constitution and laws of the State, including particularly the Special District Act, which metropolitan district: (a) has a service plan that was approved by the City after the date of this Agreement; (b) has become and constitutes a member of the Authority in accordance with the provisions of the CABEA; and (c) has authorized, executed and delivered and is legally bound by an Additional District Revenue Pledge Agreement (if such Eligible District constitutes an Additional District) or an Additional Residential District Revenue Pledge Agreement with the Authority (if such Eligible District constitutes an Additional Residential District).

“*Financing Districts*” means, collectively: (a) District No. 1; (b) District No. 2; (c) District No. 3; (d) ATEC No. 1; (e) ATEC No. 2; (f) if and when the Coordinating District is required to include property within its boundaries in accordance with the CABEA and impose its mill levies in accordance with the Coordinating District Revenue Pledge Agreement, the Coordinating District; (g) each Additional Residential District, if any; and (h) each Additional District, if any.

“*First Debt Service Mill Levy Imposition Year*” means:

(a) with respect to the District No. 3 Required Debt Service Mill Levy, the first year in which the District No. 3 Assessed Value is equal to or more than \$10,000,000:

(b) with respect to an Additional Residential District Required Debt Service Mill Levy, the earlier to occur of:

(i) the first tax levy year in which the Financing District the property from which was excluded for inclusion into such Additional Residential District is obligated to impose its Required Debt Service Mill Levy under its applicable Revenue Pledge Agreement; *or*

(ii) the first tax levy year in which such Additional Residential District is legally authorized to impose its mill levies; and

(c) with respect to an Additional District Required Debt Service Mill Levy: the first tax levy year in which such Additional District is legally authorized to impose its mill levies.

*“Governing Boards”* means, collectively, the Authority Board, and the Boards.

*“Long Term Capital Improvements Plan”* means the long term financing plan developed by the Authority and the Financing Districts to fund the Public Improvements, which plan contemplates the issuance by the Authority from time to time of bonds and other obligations to finance and refinance such Public Improvements, and which plan contemplates updates by the Authority from time to time to take into account changing real estate and financial markets, construction costs, availability of construction materials and such other matters as may arise over such extended period of time.

*“Maximum Mill Levy Imposition Term”* has the meaning set forth in the Service Plan, provided that to the extent the provisions of the Service Plan relating to the Maximum Mill Levy Imposition Term are revised after the date of this Agreement, such revisions shall apply to this defined term, its meaning within this Agreement, and the application thereof hereunder.

*“Payment Obligation”* has the meaning set forth in Section 2.02(c) hereof.

*“PILOT”* means the payment in lieu of taxes imposed pursuant to the PILOT Covenant.

[*“PILOT Covenant”* means certain Declaration of Payment in Lieu of Taxes made as of June 29, 2020 by Green Valley East, LLC, a Colorado limited liability company, GVRE 470 LLC, a Colorado limited liability company, GVR King LLC, a Colorado limited liability company, SJSA Investments, LLC, a Nevada limited liability company, GVR King Commercial, LLC, a Colorado limited liability company, Aurora Highlands, LLC, a Nevada limited liability company, Aurora Highlands Holdings, LLC, a Colorado limited liability company, Aurora Tech Center Holdings, LLC, a Colorado limited liability company, and Aurora Tech Center Development, LLC, a Colorado limited liability company and recorded on June 30, 2020, at Reception No. 2020000059148 in the Adams County records, [as amended pursuant to \_\_\_\_\_], providing for a payment in lieu of taxes charged against certain real and personal property described therein, which real and personal property has been deemed by the County Assessor to be exempt from payment of ad valorem taxes, all as set forth in the PILOT Covenant.]

*“PILOT Revenues”* means all revenue derived from the imposition and collection of the PILOT in accordance with the PILOT Covenant.

*“Prior Agreement”* means the District No. 3 Residential Capital Pledge Agreement dated June 30, 2020 by and among the Authority, District No. 3, and Zions Bancorporation, National Association.

*“Public Improvements”* means the Authorized Improvements serving and supporting the Developments.

*“Required Debt Service Mill Levy”* means, as applicable, any one or more of the following: (a) the District No. 1 Required Debt Service Mill Levy; (b) the District No. 2 Required Debt Service Mill Levy; (c) the District No. 3 Required Debt Service Mill Levy; (d) the Coordinating District Required Debt Service Mill Levy; (e) the ATEC No. 1 Required Debt Service Mill Levy; (f) the ATEC No. 2 Required Debt Service Mill Levy; (g) an Additional District Required Debt Service Mill Levy; and/or (h) an Additional Residential District Required Debt Service Mill Levy.

*“Revenue Pledge Agreement”* means, as applicable, any one or more of the following: (a) the District No. 1 Revenue Pledge Agreement; (b) the District No. 2 Revenue Pledge Agreement; (c) the District No. 3 Revenue Pledge Agreement; (d) the Coordinating District Revenue Pledge Agreement; (e) the ATEC No. 1 Revenue Pledge Agreement; (f) the ATEC No. 2 Revenue Pledge Agreement; (g) an Additional District Revenue Pledge Agreement; and/or (h) an Additional Residential District Revenue Pledge Agreement.

*“Service Plan”* means the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 approved by City Council pursuant to Resolution No. R2017-69 adopted on October 16, 2017, as the same may be amended or modified from time to time.

*“Service Plans”* means, collectively: (a) the Service Plan (which constitutes the service plan for District No. 3, District No. 1 and District No. 2; (b) the Coordinating District Service Plan; and (c) the ATEC Service Plan (which constitutes the service plan for ATEC No. 1 and ATEC No. 2.

*“Service Area”* means the real property identified as such in the CABEA, being the service area of the Authority.

*“Special District Act”* means Title 32, Article 1, C.R.S.

*“State”* means the State of Colorado.

*“Supplemental Act”* means Title 11, Article 57, Part 2, C.R.S.

*“Tax Certificate”* means the certificate to be signed by the Authority relating to the requirements of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended and in effect as of any applicable date, in connection with the issuance or reissuance of CAB Obligations.

*“Termination Date”* means first date on which all of following have occurred: (a) no CAB Obligations are then outstanding; (b) all assets of the Authority have been conveyed to another governmental entity in accordance with the CABEA and other applicable State law; and (c) the Authority has been dissolved.

## ARTICLE II

### PAYMENT OBLIGATION

#### **Section 2.01. Electoral Authorization.**

(a) The authorization for taxation, issuance of debt, multiple fiscal year financial obligations, and other constitutional matters requiring voter approval for purposes of this Agreement was obtained pursuant to the District No. 3 Election. The performance by District No. 3 of its obligations under this Agreement requires no further electoral approval.

(b) *Limits of Electoral Authorization.* In no event shall the total or annual obligations of District No. 3 hereunder exceed the maximum amounts permitted under the District No. 3 Election. Upon payment by District No. 3 hereunder of the maximum amounts authorized by the District No. 3 Election, the obligations of District No. 3 under this Agreement will be deemed defeased and no longer outstanding.

#### **Section 2.02. Multiple Fiscal Year Financial Obligations; Payment Obligation.**

(a) The obligations of District No. 3 under this Agreement constitute multiple fiscal year financial obligations of District No. 3.

(b) District No. 3 shall impose its District No. 3 Required Debt Service Mill Levy and its District No. 3 Required Operations Mill Levy as provided in Sections 2.04 and 2.05 herein.

(c) For the purposes of providing revenue to the Authority to fund the repayment of CAB Obligations issued by the Authority in an amount not to exceed \$4,000,000,000 and to fund CAB Operating Costs in an aggregate amount not to exceed \$4,000,000,000 annually, District No. 3 shall transfer or cause to be transferred to or at the direction of the Authority all District No. 3 Revenues as soon as practicable after the receipt thereof (the "Payment Obligation").

**Section 2.03. Prepayment Prohibited.** Because the actual dollar amount of District No. 3's obligations hereunder cannot be ascertained with any certainty at any time, District No. 3 shall not be permitted at any time to prepay its obligations hereunder.

**Section 2.04. Imposition of District No. 3 Required Debt Service Mill Levy.** Commencing on the Effective Date and, subject to the limitations of the Maximum Mill Levy Imposition Term, continuing through and including the year in which the Termination Date occurs:

(a) District No. 3 covenants and agrees to levy or cause to be levied on all of the taxable property of District, in addition to all other taxes, direct annual taxes in each year in the amount of the District No. 3 Required Debt Service Mill Levy. Nothing herein shall be construed to require District No. 3 to impose a debt service mill levy

which is (i) in excess of the District No. 3 Required Debt Service Mill Levy or (ii) in contravention of the Maximum Mill Levy Imposition Term.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of District No. 3 is located, showing the aggregate amount of District No. 3's debt service mill levy to be levied from time to time.

(c) The amount of revenue derived from the performance of District No. 3's obligations to impose the District No. 3 Required Debt Service Mill Levy each year as provided in Section 2.04(a) above are hereby appropriated for the purpose of paying such amounts to the Authority to pay and secure CAB Obligations, and such amounts as appropriate for each year shall be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year.

(d) It shall be the duty of District No. 3, annually, at the time and in the manner provided by law for the levying of District No. 3's taxes, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes specified in this Section 2.04, and the Board shall levy, certify, and collect such taxes in the manner provided by law.

(e) The ad valorem property taxes specified in this Section 2.04 shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to District No. 3 as provided by law, and District No. 3 shall pay such amounts to the Authority as provided herein.

(f) The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Section 2.04.

**Section 2.05. Imposition of District No. 3 Required Operations Mill Levy.** Commencing on the Effective Date and continuing through and including the year in which the Termination Date occurs:

(a) District No. 3 covenants and agrees to levy or cause to be levied on all of the taxable property of District, in addition to all other taxes, direct annual taxes in each year in the amount of the District No. 3 Required Operations Mill Levy. Nothing herein shall be construed to require District No. 3 to impose an operations mill levy which is in excess of the District No. 3 Required Operations Mill Levy.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of District No. 3 is located, showing the aggregate amount of District No. 3's operations mill levy to be levied from time to time.

(c) The amount of revenue derived from the performance of District No. 3's obligations to impose the District No. 3 Required Operations Mill Levy each year as provided in Section 2.05(a) above are hereby appropriated for the purpose of paying such

amounts to the Authority to fund CAB Operating Costs, and such amounts as appropriate for each year shall be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year.

(d) It shall be the duty of District No. 3, annually, at the time and in the manner provided by law for the levying of District No. 3's taxes, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes specified in this Section 2.05, and the Board shall levy, certify, and collect such taxes in the manner provided by law.

(e) The ad valorem property taxes specified in this Section 2.05 shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to District No. 3 as provided by law, and District No. 3 shall pay such amounts to the Authority as provided herein.

(f) The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Section 2.05.

#### **Section 2.06. Payment and Application of District No. 3 Revenues.**

(a) District No. 3 hereby agrees to remit to or at the direction of the Authority, as soon as is practicable upon the receipt thereof, all amounts constituting District No. 3 Revenues.

(b) All amounts payable by District No. 3 hereunder shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to or at the direction of the Authority.

(c) Subject to applicable law and the provisions of the CABEA, the CAB shall apply all District No. 3 Revenues in the manner, to the purposes, at the times and in the amounts as determined by the Authority Board, in its sole discretion.

#### **Section 2.07. No Impairment of Obligations.**

(a) No provisions of any constitution, statute, resolution or other order or measure enacted after the Effective Date of this Agreement shall in any manner be construed as limiting or impairing the obligation of District No. 3 to levy ad valorem property taxes, or as limiting or impairing the obligation of District No. 3 to levy, administer, enforce and collect the ad valorem property taxes as provided herein, or as limiting or impairing the obligation of District No. 3 to transfer all District No. 3 Revenues to or at the direction of the Authority.

(b) In addition, and without limiting the generality of the foregoing Section 2.07(a), the obligations of District No. 3 to transfer funds to or at the direction of the Authority as provided herein shall survive any court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of District No. 3 to properly disclose, pursuant to State law, any potential conflicts of

interest related hereto in any way, provided that such disclosure is made on the record of meetings of District No. 3 as set forth in its official minutes.

**Section 2.08. Limited Defenses; Specific Performance.** District No. 3 understands and agrees that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and District No. 3 agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, the Authority, or impair the ability of the Authority or its designated agent to receive transfers of District No. 3 Revenues payable hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of District No. 3, in the event that District No. 3 believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.08, it shall, nevertheless, make all transfers of District No. 3 Revenues as described herein and then may attempt or seek to recover such revenue or portions thereof by actions at law or in equity for damages or specific performance, respectively.

**Section 2.09. Future Exclusion of Property.**

(a) The parties to this Agreement hereby agree that District No. 3's obligations under this Agreement to impose the District No. 3 Required Debt Service Mill Levy and transfer the District No. 3 Revenues allocable thereto to or at the direction of the Authority as provided herein constitutes "indebtedness" as contemplated by Section 32-1-503, C.R.S. Any property excluded from District No. 3 after the date hereof is to remain liable for the imposition of the District No. 3 Required Debt Service Mill Levy (and the transfer of the District No. 3 Revenues allocable thereto to or at the direction of the Authority) in accordance with the provisions hereof, to the same extent as such property that, by virtue of being included within the boundaries of District No. 3, shall be and remain liable for indebtedness of District No. 3, as provided in Section 32-1-503, C.R.S.

(b) Notwithstanding the provisions of Section 2.09(a) above, in order to prevent double taxation:

(i) if such excluded property is included into District No. 2, District No. 1, or an Additional Residential District, then such excluded property is to remain liable for the imposition of the District No. 3 Required Debt Service Mill Levy until the earlier to occur of such time as: (A) District No. 2 begins imposing the District No. 2 Required Debt Service Mill Levy; (B) District No. 1 begins imposing the District No. 1 Required Debt Service Mill Levy; or (C) the Additional Residential District begins imposing the Additional Residential District Required Debt Service Mill Levy, at which time such property is to be liable only for the District No. 2 Required Debt Service Mill Levy, the District No. 1 Required Debt Service Mill Levy, or the Additional Residential District Required Debt Service Mill Levy, as applicable;

(ii) ;

(iii) if such excluded property is included into ATEC No. 1, ATEC No. 2, or an Additional District, then such excluded property is to remain liable for the imposition of the District No. 3 Required Debt Service Mill Levy until the earlier to occur of such time as: (A) ATEC No. 1 begins imposing the ATEC No. 1 Required Debt Service Mill Levy; (B) ATEC No. 2 begins imposing the ATEC No. 2 Required Debt Service Mill Levy; or (C) the Additional District begins imposing the Additional District Required Debt Service Mill Levy, at which time such property is to be liable only for the ATEC No. 1 Required Debt Service Mill Levy; the ATEC No. 2 Required Debt Service Mill Levy; or the Additional District Required Debt Service Mill Levy, as applicable; and

(iv) if such excluded property is included into the Coordinating District, then such excluded property is to remain liable for the imposition of the District No. 3 Required Debt Service Mill Levy until such time as the Coordinating District begins imposing the Coordinating District Required Debt Service Mill Levy, if ever, at which time, if it occurs, such property is to be liable only for the Coordinating District Required Debt Service Mill Levy.

(c) In the event that any court order providing for the exclusion of property from District No. 3 does not specify that such excluded property is liable for the obligations relating to the District No. 3 Required Debt Service Mill Levy as set forth herein, District No. 3 hereby agrees to take or cause to be taken all commercially reasonable actions to cause the property owners of such excluded property to covenant to assume all responsibilities relating to the District No. 3 Required Debt Service Mill Levy under this Agreement, and the Authority shall have the right to approve the form and content of any such covenant.

**Section 2.10. No District No. 3 Obligations.** District No. 3 shall not issue or incur any obligations or enter into any agreements obligating District No. 3 to levy ad valorem property taxes for the payment thereof, pay District No. 3 Revenue or any portion thereof to any person other than the Authority (or as directed in writing by the Authority), conflict with the provisions of this Agreement, or otherwise encumber in any manner the District No. 3 Revenue or any portion thereof.

**Section 2.11. Additional Covenants.**

(a) At least once a year, District No. 3 will either cause an audit to be performed of the records relating to its revenues and expenditures or, if applicable under State statute, will apply for an audit exemption, and District No. 3 shall use its best efforts to have such audit report or application for audit exemption completed no later than September 30 of each calendar year. The foregoing covenant will apply notwithstanding any different time requirements for the completion of such audit or application for audit exemption under State law. In addition, at least once a year in the time and manner provided by law, District No. 3 will cause a budget to be prepared and adopted. Copies of the budget and the audit or audit exemption will be filed and recorded in the places, time, and manner provided by law.

(b) District No. 3 agrees to make best efforts to assist Aurora Highlands LLC, ATEC Development LLC, and the Authority in the provision of information on an ongoing basis concerning development occurring within the boundaries of District No. 3 in accordance with the requirements of any continuing disclosure obligations entered into by the Authority in connection with any CAB Obligations.

(c) District No. 3 agrees to comply on an ongoing basis with all of the requirements of any and all Tax Certificates relating to restrictions on the use of the property that is acquired and financed or refinanced with proceeds of CAB Obligations and located within the jurisdiction of District No. 3. District No. 3 agrees, promptly upon request by the Authority, to provide the Authority (or to any person as directed in writing by the Authority) with information necessary for the Authority to comply on an ongoing basis with the requirements of a Tax Certificate.

(d) District No. 3 shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might impair its ability to comply with or terminate its obligations hereunder.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES**

**Section 3.01. Representations and Warranties of District No. 3.** District No. 3 hereby makes the following representations and warranties with respect to itself:

(a) It is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State.

(b) It has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. Its execution, delivery, and performance of this Agreement has been duly authorized by all necessary action.

(c) It is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder. The execution, delivery and performance by it of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting its operations or activities in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of its revenues or other assets pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which it is a party other than the lien and encumbrance created by the terms of this Agreement or which purports to be binding upon it or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) It has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by it of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which it is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best of its knowledge threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best of its knowledge is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of it to perform its obligations under, this Agreement.

(f) This Agreement constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

## **ARTICLE IV**

### **EVENTS OF DEFAULT AND REMEDIES**

**Section 4.01. Events of Default.** The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) District No. 3 fails or refuses to impose the District No. 3 Required Operations Mill Levy or the District No. 3 Required Debt Service Mill Levy or to remit the District No. 3 Revenues as required by the terms of this Agreement;

(b) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto;

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature

referred to in clause (i) hereof and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(e) District No. 3 commences proceedings for dissolution or consolidation with another metropolitan district during the term of this Agreement.

**Section 4.02. Remedies For Events of Default.** Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

## **ARTICLE V**

### **MISCELLANEOUS**

**Section 5.01. Pledge of District No. 3 Revenues.** The creation, perfection, enforcement, and priority of the pledge of District No. 3 Revenues to secure District No. 3's Payment Obligation shall be governed by Section 11-57-208 of the Supplemental Act and this Agreement. The District No. 3 Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against District No. 3 and/or the Authority irrespective of whether such persons have notice of such lien.

**Section 5.02. No Recourse against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board of District No. 3, or any officer or agent of District No. 3 acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or District No. 3, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this Agreement and as a part of the consideration hereof, each of District No. 3 and the Authority specifically waives any such recourse.

**Section 5.03. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, this Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act (other than the provisions of 11-57-207(1)(a), C.R.S. relating to a forty-year

maturity with respect to securities issued by a public entity which the Authority and District No. 3 have elected not to apply), and such recital is conclusive evidence of the validity and the regularity of this Agreement after its delivery for value.

**Section 5.04. Limitation of Actions.** Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this Agreement shall be commenced more than 30 days after the authorization of this Agreement.

**Section 5.05. Notices.** Except as otherwise provided herein, all notices, consents or approvals required or permitted to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

If to the Authority:

The Aurora Highlands Community Authority Board  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, Colorado 80111  
Attention: Denise Denslow  
Telephone: 303.779.5710  
Email: denise.denslow@claconnect.com.

With a copy to:

The Aurora Highlands Community Authority Board  
c/o McGeady Becher P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203-1254  
Telephone: 303.592.4380  
Email: legalnotices@specialdistrictlaw.com

If to District No. 3:

The Aurora Highlands Metropolitan District No. 3  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Englewood, Colorado 80111  
Attention: Denise Denslow  
Telephone: 303-779-5710  
Email: denise.denslow@claconnect.com

With a copy to:

Collins Cockrel & Cole  
390 Union Blvd. Suite 400  
Denver, Colorado 80228-1556  
Telephone: (303) 986-1551  
Email: mruhland@cccfirm.com  
Attention: Matt Ruhland

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one day after hand delivery or three days after mailing.

Any of District No. 3 and/or the Authority, by written notice so provided, may change the address to which future notices shall be sent.

#### **Section 5.06. Miscellaneous.**

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) This Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties.

(d) This Agreement shall be governed by and construed under the laws of the State of Colorado without giving effect to conflicts of laws principles.

(e) Venue for any and all claims brought by any party to enforce any provisions of this Agreement shall be the District Court in and for the County of Adams, State of Colorado.

(f) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties.

(g) If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Agreement, shall be a Saturday, Sunday, legal holiday or a day on which U.S. banking institutions are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement.

(h) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in

this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(i) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(j) The Authority shall have the right to access and review District No. 3's records and accounts, on reasonable times during regular daytime office hours, for purposes of determining compliance by District No. 3 with the terms of this Agreement. Such access shall be subject to the provisions of the Public Records Act of the State contained in Article 72 of Title 24, C.R.S. In the event of disputes or litigation between the parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

(k) District No. 3 hereby covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of its respective obligations hereunder.

**Section 5.07. Colorado Municipal Bond Supervision Act.** District No. 3 recognizes that its obligations under this Agreement to impose the District No. 3 Required Debt Service Mill Levy and the District No. 3 Required Operations Mill Levy and to remit the District No. 3 Revenues to or at the direction of the Authority in accordance with the provisions hereof may constitute a "bond" under Title 11, Article 59, C.R.S. (the "Colorado Municipal Bond Supervision Act"). Accordingly, District No. 3 has found and determined as set forth below, for purposes of the Colorado Municipal Bond Supervision Act:

(a) District No. 3 is obligated to remit the District No. 3 Revenues to or at the direction of the Authority for use by the Authority in the Authority's sole discretion as all other legally available revenues of the Authority. District No. 3 understands that, subject to applicable law and the provisions of the CABEA, all or a portion of the District No. 3 Revenues payable to or at the direction of the Authority hereunder may be used by the Authority to pay CAB Operating Expenses, and also that all or a portion of the District No. 3 Revenues payable by District No. 3 to or at the direction of the Authority hereunder may be pledged by the Authority as security or collateral for an issuance of CAB Obligations, which securities issued on or after the date hereof are anticipated to be issued in authorized denominations of \$500,000 or integral multiples of \$1,000 in excess thereof (provided that such securities issued by the Authority are not subject to the Colorado Municipal Bond Supervision Act). Furthermore, District No. 3 understands that the total principal amount of the securities issued by the Authority and payable, in part, from the District No. 3 Debt Service Revenues, is not expected to exceed \$4,000,000,000.

(b) With respect to District No. 3's Payment Obligation hereunder resulting in amounts used by the Authority to pay CAB Operating Costs or other purposes not including a pledge as security or collateral for CAB Obligations, neither a registration application nor a claim of exemption under the Colorado Municipal Bond Supervision

Act is required with respect thereto, in accordance with Interpretative Order No. 06-IN-001 issued by the State Securities Commissioner on March 23, 2006.

(c) No portion of District No. 3's Payment Obligation hereunder is assignable by the Authority without the consent of District No. 3, and the Authority understands and acknowledges that in no event will District No. 3 consent to a partial assignment of such Payment Obligations.

(d) District No. 3's Payment Obligation is not divisible, is deemed to be issued and transferable (if at all, in the sole discretion of District No. 3) in a single authorized denomination equal to the principal amount of the CAB Obligations issued by the Authority from time to time (authorized in the principal amount of up to \$4,000,000,000), which will be not less than \$500,000 or integral multiples of \$1,000 in excess thereof, and is exempt from the registration requirements of the Colorado Municipal Bond Supervision Act in accordance with Rule 59-10.3. Such District has caused to be filed a claim of exemption under the Colorado Municipal Bond Supervision Act on such basis.

**Section 5.08. Effective Date and Termination Date.** This Agreement shall become effective as of the Effective Date and shall remain in effect until the Termination Date.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, District No. 3 and the Authority have executed this Agreement as of the day and year first above written.

**THE AURORA HIGHLANDS COMMUNITY  
AUTHORITY BOARD**, a political subdivision  
and public corporation duly organized and existing  
as a separate legal entity under the constitution and  
laws of the State of Colorado

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President

ATTESTED:

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Assistant Secretary

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 3**, a quasi-  
municipal corporation and political subdivision of  
the State of Colorado

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President

ATTESTED:

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Assistant Secretary

[Signature Page Revenue Pledge Agreement (District No. 3)]

**EXHIBIT A**

**DEBT BALLOT QUESTIONS  
DISTRICT NO. 3 ELECTION**

## AMENDED AND RESTATED MILL LEVY ALLOCATION POLICY AGREEMENT

This **AMENDED AND RESTATED MILL LEVY ALLOCATION POLICY AGREEMENT** (this “Agreement”) is entered into and effective as of December \_\_\_, 2021 (the “Effective Date”), by and among **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD** (the “Authority”); **THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1** (“District No. 1”); **THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2** (“District No. 2”); **THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3** (“District No. 3”); **THE AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT** (the “Coordinating District”); **ATEC METROPOLITAN DISTRICT NO. 1** (“ATEC No. 1”); and **ATEC METROPOLITAN DISTRICT NO. 2** (“ATEC No. 2” and, together with District No. 1, District No. 2, District No. 3, the Coordinating District, and ATEC No. 1, collectively, the “CAB Districts”).

Capitalized terms used and not otherwise defined in the recitals below have the respective meanings assigned to such terms in Section 1.04 hereof.

This Agreement amends and restates, in its entirety, the Mill Levy Allocation Policy Agreement dated June 30, 2020 by and among the CAB Districts and the Authority.

### RECITALS

WHEREAS, the CAB Districts are quasi-municipal corporations and political subdivisions of the State of Colorado (the “State”) duly organized and existing as metropolitan districts under the constitution and laws of the State, including Title 32, Article 1, C.R.S. (the “Special District Act”); and

WHEREAS, the Authority is a public corporation and political subdivision duly organized and existing as a separate legal entity under the constitution and laws of the State, including Title 29, Article 1, Part 2, C.R.S. (the “Act”); and

WHEREAS, the CAB Districts are authorized by the Special District Act to furnish certain public facilities and services; and

WHEREAS, the CAB Districts were created for the purpose of designing, acquiring, constructing, installing, financing, operating and maintaining certain street, traffic and safety controls, water, sanitation, stormwater, parks and recreation, television relay and translation, transportation, and mosquito control, and providing certain services, all in accordance with the Service Plans; and

WHEREAS, the Service Plans for the CAB Districts establish the necessity for, and anticipate one or more intergovernmental agreements among the CAB Districts concerning the financing, construction, operation and maintenance of the public improvements contemplated in the Service Plans and the provision of services in the community to be served by the CAB Districts; and

WHEREAS, pursuant to the State Constitution, Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the Authority and the CAB Districts may cooperate or contract with

each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the Act provides that any such contract, including contracts among the Authority and the CAB Districts, may be entered into for any period, notwithstanding any provision of law limiting the length of any financial contracts or obligations of governments such as the Authority and the CAB Districts; and

WHEREAS, at elections of the eligible electors of each of the CAB Districts held in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at such elections, voted in favor of the CAB Districts entering into intergovernmental agreements including, without limitation, the CABEA, the Revenue Pledge Agreements and this Agreement; and

WHEREAS, the Service Plans contemplate that the Public Improvements are to be financed in accordance with general plans of finance described or permitted in the Service Plans, which obligations shall be payable from revenue sources of the CAB Districts, including, without limitation, ad valorem property taxes of the CAB Districts; and

WHEREAS, the CAB Districts and the Authority agree that the Public Improvements will benefit the current and future residents, occupants, taxpayers and property owners in the CAB Districts and the Authority's Service Area in terms of cost, quality, and level of service; and

WHEREAS, the CAB Districts and the Authority agree that the coordinated construction, financing, completion and availability of the Public Improvements within the CAB Districts' and the Authority's Service Area in a timely fashion will promote the health, safety, prosperity, security, and general welfare of the current and future residents, occupants, taxpayers and property owners of the CAB Districts; and

WHEREAS, the CAB Districts established the Authority for the purposes of, *inter alia*, designing, constructing, furnishing, operating and maintaining the Public Improvements and providing the services authorized by the Service Plans; and

WHEREAS, each of the CAB Districts has agreed that the Authority will own operate, maintain, finance and construct the Public Improvements throughout the Service Area benefiting the current and future residents, occupants, taxpayers and property owners of the CAB Districts, and that each of the CAB Districts will contribute to the costs of construction, operation, and maintenance of such Public Improvements from its taxes and fees; and

WHEREAS, the CABEA binds the CAB Districts concerning capital expenditures and operation and maintenance expenses, with the intent that the cost of providing facilities and services to the entire Development will be shared by the current and future residents, occupants, taxpayers, fee payers, and property owners in the CAB Districts' Service Area, both presently and under various circumstances which may occur in the future; and

WHEREAS, under the CABEA, it is the stated intent of the CAB Districts that all Debt shall be issued from time to time by the Authority for the purpose of financing Public Improvements; and

WHEREAS, the amount of Debt issued by the Authority is to be based upon estimates of the capital costs of construction of portions of the Public Improvements as they are and will be needed to complete the Development, plus reserve funds, capitalized interest, legal fees, and any other costs associated with the financing or refinancing of such Debt; and

WHEREAS, the CAB Districts agree that the administrative functions and statutory compliance procedures of the CAB Districts and the provision of services and operation and maintenance of the Public Improvements by the Authority will be financed, primarily, by tax revenue derived from operations mill levies imposed by each of the CAB Districts; and

WHEREAS, the CAB Districts and the Authority desire to enter into this Agreement to evidence the mutual benefits enjoyed by the CAB Districts and the Authority from the provision, operation and maintenance of the Public Improvements, and the fair and equitable nature of the obligations of the CAB Districts and the Authority under the Revenue Pledge Agreements and the CABEA.

NOW THEREFORE, in consideration of the mutual covenants and promises expressed herein, the Districts hereby agree as follows:

## ARTICLE I

### SPECIFIC PROVISIONS

**Section 1.01. Affirmation of Recitals.** The recitals set forth above are true and correct and are incorporated herein by reference.

**Section 1.02. Interpretation.** In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of this Agreement; and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural and, unless otherwise defined herein, all capitalized words or terms shall have the meanings assigned to such terms in Section 1.04 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

**Section 1.03. Effective Date and Term.** This Agreement shall be effective as of the Effective Date and shall continue to be in full force and effect until such time as

- (a) each CAB District agrees in writing to terminate this Agreement;
- (b) no Debt is Outstanding;
- (c) all Public Improvements owned by the Authority or the CAB Districts have been conveyed to another governmental entity; and
- (d) all operations and maintenance obligations with respect to such Public Improvements and all other services performed by the Authority and the CAB Districts have been assumed by another governmental entity.

**Section 1.04. Definitions.** As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below:

“*Agreement*” means this Amended and Restated Mill Levy Allocation Policy Agreement.

“*Act*” means Title 29, Article 1, Part 2, C.R.S.

“*ARI Mill Levy*” has the meaning ascribed to such term in the CABEA.

“*ARI Mill Levy Revenues*” has the meaning ascribed to such term in the CABEA.

“*ATEC No. 1*” means ATEC Metropolitan District No. 1, and its successors and assigns.

“*ATEC No. 1 Revenue Pledge Agreement*” means the Revenue Pledge Agreement (ATEC No. 1) dated December \_\_\_, 2021 between the Authority and ATEC No. 1.

“*ATEC No. 1 Pledged Revenue*” has the meaning ascribed to such term in the ATEC No. 1 Revenue Pledge Agreement.

“*ATEC No. 1 Required Debt Service Mill Levy*” has the meaning ascribed to such term in the ATEC No. 1 Revenue Pledge Agreement.

“*ATEC No. 2*” means ATEC Metropolitan District No. 2, and its successors and assigns.

“*ATEC No. 2 Revenue Pledge Agreement*” means the Revenue Pledge Agreement (ATEC No. 2) dated as of December \_\_\_, 2021 between the Authority and ATEC No. 2.

“*ATEC No. 2 Pledged Revenue*” has the meaning ascribed to such term in the ATEC No. 2 Revenue Pledge Agreement.

“*ATEC No. 2 Required Debt Service Mill Levy*” has the meaning ascribed to such term in the ATEC No. 2 Revenue Pledge Agreement.

“*ATEC No. 2 Required Operations Mill Levy*” has the meaning ascribed to such term in the ATEC No. 2 Revenue Pledge Agreement.

“*Authority*” means The Aurora Highlands Community Authority Board, a public corporation and political subdivision duly organized and existing as a separate legal entity under the constitution and laws of the State, including the Act, and established pursuant to the CABEA.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*CAB Districts*” means, collectively, District No. 1, District No. 2, District No. 3, ATEC No. 1, ATEC No. 2 and the Coordinating District.

“*CABEA*” means The Aurora Highlands Community Authority Board First Amended and Restated Establishment Agreement dated and effective April 10, 2020 by and among the Authority and the CAB Districts, as the same may be further amended, supplemented or restated from time to time in accordance with the provisions thereof.

“*Revenue Pledge Agreement*” or “*Revenue Pledge Agreements*” means, individually or collectively, as the context requires, the: (a) District No. 1 Revenue Pledge Agreement; (b) District No. 2 Revenue Pledge Agreement; (c) District No. 3 Revenue Pledge Agreement; (d) ATEC No. 1 Revenue Pledge Agreement; (e) ATEC No. 2 Revenue Pledge Agreement; and (f) Coordinating District Revenue Pledge Agreement.

“*Coordinating District*” means The Aerotropolis Area Coordinating Metropolitan District, and its successors and assigns.

“*Coordinating District Revenue Pledge Agreement*” means the Revenue Pledge Agreement (Coordinating District) dated as of December \_\_\_, 2021 between the Authority and the Coordinating District.

“*Coordinating District Required Debt Service Mill Levy*” has the meaning ascribed to such term in the Coordinating District Revenue Pledge Agreement.

“*Debt*” means bonds, notes, loans or other obligations issued or incurred by the Authority for the purpose of financing or refinancing Public Improvements, which obligations are payable from ad valorem property taxes of the CAB Districts (*except* for any ARI Mill Levy Revenues) and/or other District revenues, including, but not limited to, fees, rates, tolls, and charges; which bonds, notes, loans or other obligations constitute a multiple fiscal year financial obligation and for the payment of which any one or more of the CAB Districts has promised to impose an ad valorem property tax mill levy (*except* for any ARI Mill Levy).

“*Debt Service Mill Levy*” or “*Debt Service Mill Levies*” means, individually or collectively, as the context requires, the (a) District No. 1 Required Debt Service Mill Levy; (b) District No. 2 Required Debt Service Mill Levy; (c) District No. 3 Required Debt Service Mill

Levy; (d) ATEC No. 1 Required Debt Service Mill Levy; (e) ATEC No. 2 Required Debt Service Mill Levy; and (f) Coordinating District Required Debt Service Mill Levy.

*“Development”* means the approximately 3,920-acre development known as The Aurora Highlands and The Aurora Technology and Energy Center, located in the City of Aurora, Adams County, Colorado, and within the Service Area of the Authority (which Service Area also includes property located within the various CAB Districts) which is anticipated to be developed with single family and multi-family homes, industrial, commercial, retail, health care, and other uses and related amenities, reaching an estimated population of approximately 41,823 people at full build-out.

*“District No. 1”* means The Aurora Highlands Metropolitan District No. 1 (*formerly known as Green Valley Ranch East Metropolitan District No. 2*), its successors and assigns.

*“District No. 1 Pledged Revenue”* has the meaning ascribed to such term in the District No. 1 Revenue Pledge Agreement.

*“District No. 1 Required Debt Service Mill Levy”* has the meaning ascribed to such term in the District No. 1 Revenue Pledge Agreement.

*“District No. 1 Required Operations Mill Levy”* has the meaning ascribed to such term in the District No. 1 Revenue Pledge Agreement.

*“District No. 1 Revenue Pledge Agreement”* means the Revenue Pledge Agreement (“District No. 1”) dated December \_\_\_, 2021 between the Authority and District No. 1.

*“District No. 2”* means The Aurora Highlands Metropolitan District No. 2 (*formerly known as Green Valley Ranch East Metropolitan District No. 3*), and its successors and assigns.

*“District No. 2 Pledged Revenue”* has the meaning ascribed to such term in the District No. 2 Revenue Pledge Agreement.

*“District No. 2 Required Debt Service Mill Levy”* has the meaning ascribed to such term in the District No. 2 Revenue Pledge Agreement.

*“District No. 2 Required Operations Mill Levy”* has the meaning ascribed to such term in the District No. 2 Revenue Pledge Agreement.

*“District No. 2 Revenue Pledge Agreement”* means the Revenue Pledge Agreement (“District No. 2”) dated December \_\_\_, 2021 between the Authority and District No. 2.

*“District No. 3”* means The Aurora Highlands Metropolitan District No. 3 (*formerly known as Green Valley Ranch East Metropolitan District No. 4*), and its successors and assigns.

*“District No. 3 Pledged Revenue”* has the meaning ascribed to such term in the District No. 3 Revenue Pledge Agreement.

*“District No. 3 Required Debt Service Mill Levy”* has the meaning ascribed to such term in the District No. 3 Revenue Pledge Agreement.

*“District No. 3 Required Operations Mill Levy”* has the meaning ascribed to such term in the District No. 3 Revenue Pledge Agreement.

*“District No. 3 Revenue Pledge Agreement”* means the Revenue Pledge Agreement (District No. 3) dated December \_\_\_, 2021 between the Authority and District No. 3.

*“Effective Date”* has the meaning assigned to such term in the first paragraph of this Agreement.

*“Gallagher Amendment”* means Colorado Constitution, Article X, Section 3(1)(b).

*“Mill Levy”* or *“Mill Levies”* means, individually or collectively, as the context requires, the Operations Mill Levies and the Debt Service Mill Levies.

*“Operating Costs”* means the costs and expenses from time to time of the Authority relating to: (a) the existence and operation of the Authority and the CAB Districts, including administration, statutory compliance and other general purposes, and (b) the operation and maintenance of the Public Improvements; whether paid or payable by the Authority directly or reimbursed or reimbursable by the Authority in accordance with one or more advance or funding agreements.

*“Operations Mill Levy”* or *“Operations Mill Levies”* means, individually or collectively, as the context requires, the (a) District No. 1 Required Operations Mill Levy; (b) District No. 2 Required Operations Mill Levy; (c) District No. 3 Required Operations Mill Levy; and (d) ATEC No. 2 Required Operations Mill Levy.

*“Operations Revenue”* means (a) with respect to District No. 1, District No. 2, District No. 3, ATEC No. 2 and the Coordinating District, such term has the meaning set forth in the Revenue Pledge Agreements (which definition has the same meaning in each Revenue Pledge Agreement), whether used individually or collectively, as the context requires, and (b) with respect to ATEC No. 1, such term means the revenue derived from imposition of its operations mill levy in accordance with the CABEA, together with the ATEC No. 1 Operations Revenue (as defined in the ATEC No. 1 Revenue Pledge Agreement).

*“Pledged Revenue”* means, individually or collectively, as the context requires: (a) the District No. 1 Pledged Revenue; (b) the District No. 2 Pledged Revenue; (c) the District No. 3 Pledged Revenue; (d) the ATEC No. 1 Pledged Revenue; (e) the ATEC No. 2 Pledged Revenue; and (f) the Coordinating District Pledged Revenue.

*“Public Improvements”* means those improvements and facilities to be designed, acquired, constructed and installed as contemplated under the Service Plans and the CABEA and as necessary or appropriate for the completion of the Development and to serve and support the completed Development including, without limitation, the Regional Transportation System.

*“Regional Transportation System”* has the meaning assigned to such term in the CABEA.

*“Residential District Service Plan”* means the Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1-3 approved by the City of Aurora, Colorado on October 16, 2017, as the same may be amended from time to time.

*“Residential Districts”* means District No. 1, District No. 2 and District No. 3.

*“Service Area”* has the meaning assigned to such term in the CABEA.

*“Service Plans”* means, collectively, the Residential District Service Plan; the Coordinating District Service Plan; the ATEC No. 1 Service Plan; and the ATEC No. 2 Service Plan, each as may be amended from time to time.

*“Trustee”* means and Zions Bancorporation, National Association, having an office and corporate trust offices in Salt Lake City, Utah, its successors and assigns, in its capacity as the trustee for the Initial Series of Bonds.

## ARTICLE II

### MILL LEVY POLICY

**Section 2.01. Purpose of Agreement.** The primary purpose of this Agreement is for each CAB District to declare and agree that the obligations of each CAB District under its respective Revenue Pledge Agreement are fair and equitable in light of the benefits received by the CAB Districts and their current and future residents, occupants, taxpayers and property owners, notwithstanding that the Debt Service Mill Levies of the CAB Districts are not intended nor expected to be equal in terms of number of mills or tax dollars derived from the imposition thereof. The CAB Districts each acknowledge that the benefits received by the CAB Districts and their current and future residents, occupants, taxpayers and property owners cannot be measured in exact terms and each CAB District’s tax burden will not necessarily be equal in any year, or at all.

**Section 2.02. Mutual Benefits.** Each of the CAB Districts hereby acknowledges that, due to the nature of the Public Improvements and proximity and interrelatedness of the various components of the Development, the design, acquisition, construction and installation of the Public Improvements benefits each of the CAB Districts and their current and future residents, occupants, taxpayers and property owners. In addition, the CAB Districts further acknowledge that, in order to maintain the Public Improvements, the Authority and the CAB Districts must continue to exist and operate and remain in statutory compliance, and, accordingly, the Authority will necessarily incur costs and expenses relating to administration, operations and maintenance of the Public Improvements, and other general purposes (as more particularly defined in Section 1.04 hereof, the “Operating Costs”). The CAB Districts agree that their respective obligations under the Revenue Pledge Agreements and the CABEA are reasonable in light of the long term benefits to be derived from the regional nature of the Development, and that the Development does and will in the future continue to provide benefits to each CAB District and their respective taxpayers, inhabitants, occupants and property owners.

**Section 2.03. Fair Representation on Authority Board.** Each CAB District agrees that it is fairly represented on the Board of Directors of the Authority.

#### **Section 2.04. Imposition of Mill Levies.**

(a) Each CAB District agrees to impose and certify its Operations Mill Levy and its Debt Service Mill Levy at the times, in the amounts and in the manner set forth in the Revenue Pledge Agreements, respectively, and the CABEA, as applicable to each CAB District.

(b) Each CAB District is relying upon the timely performance of each of the other CAB Districts in entering into its respective Revenue Pledge Agreement. The CAB Districts each agree that failure of any CAB District to perform its obligations under its Revenue Pledge Agreement will cause harm to each of the other CAB Districts. In addition, in issuing any Debt for the purpose of financing or refinancing Public Improvements, the Authority is relying on the CAB Districts' performance of their respective obligations under the Revenue Pledge Agreements and the CABEA, as applicable to each CAB District.

(c) Each CAB District agrees to collect and enforce the collection of the Pledged Revenue and the Operations Revenue to be derived from imposition of the CAB Districts' respective Mill Levies (and the operations mill levies to be imposed by ATEC No. 1 under the CABEA) as required under the applicable Revenue Pledge Agreement and the CABEA. Each CAB District further agrees that it will transfer or cause to be transferred to the Authority all Pledged Revenue and Operations Revenue in accordance with the terms of the applicable Revenue Pledge Agreement and the CABEA, and that it will not withhold or allow to be withheld any portion of its Pledged Revenue or Operations Revenue prior to remittance thereof to the Authority. Notwithstanding the foregoing, it is acknowledged that ATEC No. 1's obligations with respect to revenue derived from its operations mill levy are set forth in the CABEA (and not in its Revenue Pledge Agreement); accordingly, ATEC No. 1 agrees to fulfill its obligations under the CABEA with respect to the revenue derived from its operations mill levy.

(d) In addition, ATEC No. 1 agrees to accept direction from the Authority pursuant to the terms of the CABEA with respect to the number of mills to be certified by ATEC No. 1 for operations purposes in each tax levy year.

(e) Colorado ad valorem property taxes are imposed on the assessed value of property, and not the "actual" market value of property. The CAB Districts acknowledge that, as a result of the Gallagher Amendment, commercial property (together with vacant land and certain other non-residential property, collectively, "Commercial Property") is assessed at a significantly higher rate than residential property ("Residential Property"). The assessed value of Commercial Property is 29% of "actual" (or market) value, while the assessed value of Residential Property is 7.15% of "actual" (or market) value (as of the date of this Agreement, and subject to change for adjustments occurring after January 1, 2019 in the residential assessment rate). As a result, a mill levy of any particular number of mills imposed on Commercial Property will derive significantly more tax revenue than if the same number of mills were imposed on Residential Property. As a result of this differential, the Revenue Pledge Agreements provide for the imposition of higher Mill Levies by the Residential Districts and lower Mill Levies for CAB Districts

with Commercial Property. The CAB Districts agree that the number of mills equal to the Mill Levies required to be imposed by each CAB District under its Revenue Pledge Agreement and the period during which each CAB District is required to impose its Mill Levies are intended to create, as much as is possible, an equitable tax burden on the taxpayers in each CAB District; *however*, the CAB Districts further acknowledge and agree that the benefits received by each of the CAB Districts and their respective current and future residents, occupants, taxpayers and property owners from the provision of the Public Improvements and the operations and maintenance thereof cannot be measured in exact terms and each CAB District's tax burden will not necessarily be equal in any year, or at all.

#### **Section 2.05. Representations.**

(a) Each CAB District represents and warrants that it has reviewed the CABEA, has had ample opportunity to seek and obtain legal, accounting and other advice in connection therewith, and has voluntarily entered into the CABEA.

(b) Each CAB District represents and warrants that it has reviewed the applicable Revenue Pledge Agreement, has had ample opportunity to seek and obtain legal, accounting and other advice in connection therewith, and has voluntarily entered into the applicable Revenue Pledge Agreement.

### **ARTICLE III**

#### **GENERAL PROVISIONS**

**Section 3.01. Integration.** This Agreement sets forth the entire agreement and understanding of the parties hereto with respect to the specific matters agreed to herein, and the parties hereto acknowledge that no oral or other agreements, understandings, representations or warranties exist with respect to this Agreement or the obligations of the parties hereto, except those specifically set forth herein.

**Section 3.02. Modification.** This Agreement may be supplemented, altered, amended, modified, terminated or revoked only by a written instrument signed by all the parties hereto.

**Section 3.03. Severability.** If any clause or provision of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of this Agreement as a whole, and all other clauses or provisions shall be given full force and effect.

**Section 3.04. Assignment.** This Agreement may not be assigned without the express prior written consent of the parties hereto, and any attempt to assign this Agreement in violation hereof shall be null and void.

**Section 3.05. Authority.** By execution hereof, each party hereto represents and warrants that its representative signing hereunder has full power and lawful authority to execute this Agreement and to bind the respective party to the terms hereof.

**Section 3.06. Applicable Law.** This Agreement shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State.

*[The remainder of this page intentionally left blank. Signature pages follow.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 1**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 2**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 3**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

*[Signature page 1 of 3 to Amended and Restated Mill Levy Allocation Policy Agreement]*

**ATEC METROPOLITAN DISTRICT  
NO. 1**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

**ATEC METROPOLITAN DISTRICT  
NO. 2**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

*[Signature page 2 of 3 to Amended and Restated Mill Levy Allocation Policy  
Agreement]*

**THE AEROTROPOLIS AREA  
COORDINATING METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

**THE AURORA HIGHLANDS  
COMMUNITY AUTHORITY BOARD**

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Assistant Secretary

*[Signature page 3 of 3 to Amended and Restated Mill Levy Allocation Policy  
Agreement]*

## THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1

### A RESOLUTION CALLING FOR THE 2022 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL

WHEREAS, The Aurora Highlands Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

WHEREAS, the terms of office of Directors Ferreira, Hopper and one vacancy shall expire after their successors are elected at the regular special district election to be held on May 3, 2022 (“**Election**”) and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act (the “**Act**”) and the Colorado Local Government Election Code (the “**Code**”) (the Act and the Code being referred to jointly as the “**Election Laws**”), the Election must be conducted to elect two (2) Directors to serve for a term of three (3) years and one (1) Director to serve for a term of one (1) year pursuant to Section 1-13.5-111, C.R.S., which moves the regular special district elections to May of each odd-numbered years commencing in May, 2023 and, in connection therewith, adjusts the length of terms served by Directors elected in 2020 and 2022 in order to implement the new election schedule.

NOW, THEREFORE, be it resolved by the Board of Directors of The Aurora Highlands Metropolitan District No. 1 in the County of Adams, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 3, 2022, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, two (2) Directors may be elected to serve a three-year term and one (1) Director to serve a one-year term.

2. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Election Laws. The Designated Election Official shall prepare the Plan for conducting the mail ballot Election. There shall be no election precinct or polling place. All mail ballots shall be returned to the Designated Election Official’s office, located at 4662 W. Oxford Avenue, Denver, Colorado 80236.

3. The Board of Directors hereby designates Sarah H. Luetjen as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board,

arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address or email sluetjen@cccfirm.com. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2022, nor later than the close of business on Friday, February 25, 2022.

5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 1, 2022, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than February 28, 2022, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

6. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

8. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 4<sup>th</sup> day of November, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 1

By \_\_\_\_\_  
Chair

ATTEST:

By \_\_\_\_\_  
Secretary

## THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2

### A RESOLUTION CALLING FOR THE 2022 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL

WHEREAS, The Aurora Highlands Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

WHEREAS, the terms of office of Directors Ferreira, Hopper and one vacancy shall expire after their successors are elected at the regular special district election to be held on May 3, 2022 (“**Election**”) and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act (the “**Act**”) and the Colorado Local Government Election Code (the “**Code**”) (the Act and the Code being referred to jointly as the “**Election Laws**”), the Election must be conducted to elect two (2) Directors to serve for a term of three (3) years and one (1) Director to serve for a term of one (1) year pursuant to Section 1-13.5-111, C.R.S., which moves the regular special district elections to May of each odd-numbered years commencing in May, 2023 and, in connection therewith, adjusts the length of terms served by Directors elected in 2020 and 2022 in order to implement the new election schedule.

NOW, THEREFORE, be it resolved by the Board of Directors of The Aurora Highlands Metropolitan District No. 2 in the County of Adams, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 3, 2022, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, two (2) Directors may be elected to serve a three-year term and one (1) Director to serve a one-year term.

2. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Election Laws. The Designated Election Official shall prepare the Plan for conducting the mail ballot Election. There shall be no election precinct or polling place. All mail ballots shall be returned to the Designated Election Official’s office, located at 4662 W. Oxford Avenue, Denver, Colorado 80236.

3. The Board of Directors hereby designates Sarah H. Luetjen as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board,

arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address or email sluetjen@cccfirm.com. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2022, nor later than the close of business on Friday, February 25, 2022.

5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 1, 2022, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than February 28, 2022, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

6. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

8. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 4<sup>th</sup> day of November, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 2

By \_\_\_\_\_  
Chair

ATTEST:

By \_\_\_\_\_  
Secretary

## THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3

### A RESOLUTION CALLING FOR THE 2022 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL

WHEREAS, The Aurora Highlands Metropolitan District No. 3 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

WHEREAS, the terms of office of Directors Ferreira, Hopper and one vacancy shall expire after their successors are elected at the regular special district election to be held on May 3, 2022 (“**Election**”) and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act (the “**Act**”) and the Colorado Local Government Election Code (the “**Code**”) (the Act and the Code being referred to jointly as the “**Election Laws**”), the Election must be conducted to elect two (2) Directors to serve for a term of three (3) years and one (1) Director to serve for a term of one (1) year pursuant to Section 1-13.5-111, C.R.S., which moves the regular special district elections to May of each odd-numbered years commencing in May, 2023 and, in connection therewith, adjusts the length of terms served by Directors elected in 2020 and 2022 in order to implement the new election schedule.

NOW, THEREFORE, be it resolved by the Board of Directors of The Aurora Highlands Metropolitan District No. 3 in the County of Adams, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 3, 2022, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, two (2) Directors may be elected to serve a three-year term and one (1) Director to serve a one-year term.
2. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Election Laws. The Designated Election Official shall prepare the Plan for conducting the mail ballot Election. There shall be no election precinct or polling place. All mail ballots shall be returned to the Designated Election Official’s office, located at 4662 W. Oxford Avenue, Denver, Colorado 80236.
3. The Board of Directors hereby designates Sarah H. Luetjen as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board,

arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address or email sluetjen@cccfirm.com. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2022, nor later than the close of business on Friday, February 25, 2022.

5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 1, 2022, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than February 28, 2022, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

6. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

8. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 4<sup>th</sup> day of November, 2021.

THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 3

By \_\_\_\_\_  
Chairman

ATTEST:

By \_\_\_\_\_  
Secretary



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

September 17, 2021

Board of Directors  
 Aurora Highlands Metropolitan District No. 1  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement ("MSA") documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide Aurora Highlands Metropolitan District No. 1 ("you," "your," or "the district"). The terms of this MSA will apply to the initial and each subsequent statement of work ("SOW"), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

#### **Scope of professional services**

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA's performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

#### **Management responsibilities**

Management and, when appropriate, the board of directors of the district acknowledge and understand that our role is to provide the services identified in an SOW and that management and the board of directors of the district have certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its management responsibilities. References to management in this MSA and in an SOW are applicable to the board of directors of the district.

### **Responsibilities and limitations related to nonattest services**

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

### **Fees and terms**

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform [claconnect.com/billpay](https://claconnect.com/billpay) accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

### ***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

### ***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

### **Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Colorado, without giving effect to choice of law principles.

### **Limitation of remedies**

**These limitation of remedies provisions are not applicable for any audit, examination, or agreed-upon procedures services provided to you.**

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a “CLA party”) and that this limitation of remedies provision is governed by the laws of the state of Colorado, without giving effect to choice of law principles.

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods (“Limitation Period”):

### **Consulting services**

- For each service pursuant to an SOW, separately within twenty-four (24) months after the date we deliver the services or work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW.
- Within twenty-four (24) months from the date of our last billing for services performed pursuant to the SOW on which the dispute is based.
- Within twenty-four (24) months after the termination by either party of either this MSA or the district’s ongoing relationship with CLA.

### **Tax services**

- For tax return preparation, separately within thirty-six (36) months after the date when we deliver any final tax return(s) pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW relating to said return(s).

CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](http://nexia.com/member-firm-disclaimer) for details.



- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services pursuant to the SOW on which the dispute is based.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this MSA or the district's ongoing relationship with CLA.

***Examination, compilation, and preparation services related to prospective financial information***

- For examination, compilation, and preparation services related to prospective financial information (i.e., forecasts and projections), separately within twelve (12) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

***Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information***

- For audit, review, examination, agreed-upon procedures, compilation, and preparation services, separately within twenty-four (24) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

**CLA shall be authorized to the following cash access services:**

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
  - Paper checks – we will prepare the checks for your approval and wet ink signature.
  - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.
  - ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the Board to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://nexia.com/member-firm-disclaimer) for details.



### Management responsibilities relevant to CLA's access to your cash

All members of your Board of Directors are responsible for the processes below; however, we understand that you will designate one or more board members to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then Board will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

### Other provisions

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by law.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

When performing the services identified in applicable SOWs, we will utilize the resources available at the district, when applicable, to the extent practical to continue development of your personnel. During a portion of our work, we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this agreement, except as may be assumed in a SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

## **Consent**

### ***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Aurora Highlands Metropolitan District No. 1 information in these cost comparison, performance indicator, and/or benchmarking reports.

### ***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

### ***Technology***

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

**Termination of MSA**

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

**Agreement**

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

**CliftonLarsonAllen LLP**



Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

**Response:**

This agreement correctly sets forth the understanding of Aurora Highlands Metropolitan District No. 1.

APPROVED:

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Signature

---

Title

---

Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

## **Special Districts Preparation SOW**

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aurora Highlands Metropolitan District No. 1 ("you" and "your") dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Jason Carroll is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

### ***Ongoing normal accounting services:***

Outsourced accounting activities

For each fund of the district, CLA will generally prepare and maintain the following accounting records:

- Cash receipts journal
- Cash disbursements journal
- General ledger
- Accounts receivable journals and ledgers
- Deposits with banks and financial institutions
- Schedule of disbursements
- Bank account reconciliations
- Investment records
- Detailed development fee records

Process accounts payable including the preparation and issuance of checks for approval by a designated individual

Prepare billings, record billings, enter cash receipts, and track revenues

Reconcile certain accounts regularly and prepare journal entries

Prepare depreciation schedules

Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.

Prepare a schedule of cash position to manage the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of directors.

Prepare the annual budget and assist with the filing of the annual budget – additional information is provided below.

Assist the district's board of directors in monitoring actual expenditures against appropriation/budget.

If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors.

If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.

Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.

Review claims for reimbursement from related parties prior to the board of directors' review and approval.

Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements' requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.

Attend board meetings as requested.

Be available during the year to consult with you on any accounting matters related to the district.

Review and approve monthly reconciliations and journal entries prepared by staff

Reconcile complex accounts monthly and prepare journal entries

Analyze financial statements and present to management and the board of directors.

Develop and track key business metrics as requested and review periodically with the board of directors.

Document accounting processes and procedures

Continue process and procedure improvement implementation

Report and manage cash flows

Assist with bank communications.

Perform other nonattest services.

### **Compilation services**

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

### **Preparation services – financial statements**

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

### **Preparation services - annual**

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

### ***Preparation services – prospective financial information (i.e., unexpired budget information)***

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

### **Engagement objectives and our responsibilities**

The objectives of our engagement are to:

- a. Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.

- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

### **Engagement procedures and limitations**

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

### **Our report**

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption

from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation, the Application for Exemption from Audit (if an audit is not required), we will not issue reports on budget, the Application for Exemption from Audit as a result of this engagement.

### **No assurance statements**

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For best business type activities the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

### **Management responsibilities**

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management’s responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district’s operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
  - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
  - ii. Additional information that may be requested for the purpose of the engagement.
  - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

### **Fees, time estimates, and terms**

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended

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if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$425
Chief Financial Officer	\$200 - \$385
Controller	\$180 - \$250
Senior	\$140 - \$180
Staff	\$ 80 - \$150
Administrative support	\$ 80 - \$120

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

#### **Use of financial statements, the annual budget, the Application for Exemption from Audit**

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

#### **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should

discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

**Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ and contract workers without authorization.

***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with a worker without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "Jason Carroll". The signature is fluid and cursive, with the first name "Jason" and last name "Carroll" clearly distinguishable.

Jason Carroll, CPA

Principal

Jason.Carroll@CLAconnect.com

APPROVED:

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Signature

---

Title

---

Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

**Payroll Services SOW**  
**Date: September 17, 2021**

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aurora Highlands Metropolitan District No. 1 ("you" and "your") dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

**Scope of payroll preparation services**

We will provide the following payroll preparation services from information you provide:

- For each pay period:
  - Perform payroll calculations
  - Prepare payroll checks or pay-stubs in the case of direct deposit of employee net pay
  - Initiate electronic transfer of funds for employee net pay and payroll tax deposit liabilities
  - Processing retirement plan contribution payments
  - Preparation of retirement plan and other census information
- Prepare the following government forms annually for each calendar year-end (may be filed electronically):
  - All copies of required forms W-2 and W-3
  - Form 940 – Employers Annual Federal Unemployment Tax Return, if applicable
  - Form 943 – Employers Annual Tax Return for Agricultural Employees
  - All necessary state forms, if applicable
- If applicable, prepare the following government reporting forms for each calendar quarter-end (may be filed electronically):
  - Form 941 – Employers Quarterly Tax Return
  - State Employers Quarterly Withholding Return
  - State Employers Quarterly Unemployment Tax Return (SUTA)
  - Initiate electronic funds transfer for quarterly Federal Unemployment Tax (FUTA) liability
- Cash access services related to payroll services

- Obtain one or more signature stamps bearing the name(s) and facsimile signature(s) of any of your officer(s) who are responsible for signing checks and bank drafts on your behalf.
- Obtain access to electronic signatures or signatures embedded into cloud-based software for the purpose of drafting payments on your behalf.
- Prepare checks to be drawn upon your bank account(s) and to use the above noted methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Initiate the direct deposit of employee net pay from funds drawn upon your bank account(s).
- The following services would impair independence
  - Accept responsibility to authorize payment of client funds, electronically or otherwise, except as specifically provided for with respect to electronic payroll tax payments.
  - Accept responsibility to sign or cosign client checks, even if only in emergency situations.
  - Maintain a client's bank account or otherwise have custody of a client's funds or make credit for banking decisions for the client.

### **Our responsibility to you and limitations of the payroll services**

We will prepare the entity's federal and state (if applicable) payroll forms and tax returns in accordance with the applicable payroll tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's payroll that we may not identify as a result of misrepresentations made to us by you.

Our payroll preparation services will include electronically transmitting information to taxing authorities and your financial institution to facilitate the electronic transfer of funds. Authorizations for us to provide these services will be made in separate communications.

Our payroll preparation services will include transmitting federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf. Authorizations for us to provide these services will be made in separate communications.

### **Your responsibilities**

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and returns. We will have no obligations with regard to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us. All necessary information should be provided to us within two days of the close of each payroll period or no later than two days prior to your payroll check date. A list of information we will require and the dates required will be provided in a separate communication.

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For all nonattest services we may provide to you, including these payroll services, management agrees to assume all management responsibilities; oversee the services; by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls.
- Careful review of paychecks or pay-stubs, and payroll journals for each periodic payroll.
- Accuracy of information used in the preparation and filing of all government forms.
- Review and pre-approval of each electronic funds transfer initiated on your behalf for employee net pay amounts, payroll tax and withholding liabilities, and related benefit amounts.

You are responsible to carefully review the paper returns that we prepare on your behalf before signing and submitting them to tax authorities. You are responsible to review the paper copies of payroll forms and tax returns that were filed electronically on your behalf. We will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

You are also responsible for the payment of payroll tax and withholding liabilities. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at [www.eftps.gov](http://www.eftps.gov), or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

### **Your responsibilities relevant to CLA's access to your cash**

Someone with management authority is responsible for the processes below. All approvals listed must be documented in writing, either electronically or manually:

- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all payroll runs prior to cash being committed.

### **Fees**

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Other than annual adjustments reflecting inflation, our professional fees will not fluctuate unless there is a significant change in the number of employees, taxing jurisdictions, or in the services you wish for us to provide. If such changes should occur, we will discuss any fee adjustments with you prior to making any changes to your billing. Lastly, any additional forms that you would like us to complete will be charged at an hourly fee.

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

### **Tax examinations**

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs.

### **Record retention**

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of the entity.

### **Tax consulting services**

This SOW also covers tax consulting services that may arise for which the entity seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the entity's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

### **Communications and confidentiality**

CLA will hold the information supplied by the entity to us in confidence and CLA will not disclose it to any other person or party, unless the entity authorizes us to do so, it is published or released by the entity, or it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

### **Consent to send you publications and other materials**

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes the entity name and address as well as the business and financial information you provided to us.

By signing and dating this SOW, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice. If you do not wish to authorize such use, please strike out this paragraph prior to signing the SOW.

### **Legal compliance**

The entity agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the entity or the entity's business, including the accuracy and lawfulness of any reports the entity submits to any government regulator, authority, or agency. The entity

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also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the entity to any governmental or regulatory body, or for any insurance reimbursement in the event that the entity is requested to do so by any lawful authority. CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**



Jason Carroll, CPA

Principal

Jason.Carroll@CLAconnect.com

Enclosures

**Response:**

This letter correctly sets forth the understanding of Aurora Highlands Metropolitan District No. 1.

APPROVED:

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Signature

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Title

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Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
[CLAconnect.com](http://CLAconnect.com)

## **Special Districts Management Services SOW**

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aurora Highlands Metropolitan District No. 1 ("you" and "your") dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Matt Urkoski is responsible for the performance of the engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the engagement.

### **Scope of Management Services**

CLA will perform the following services for the District:

#### **District Board of Directors ("Board") Meetings**

- **Coordination of all Board meetings;**
- Meeting Attendance: District Manager and/or designee will attend all Board meetings;
- Preparation and distribution of agenda and informational materials;
- Preparation of meeting minutes for all meetings;
- Preparation and posting of legal notices required in conjunction with the meetings;
- Other details incidental to meeting preparation and follow-up.

#### **Recordkeeping**

- **Maintain lists of persons and organizations for correspondence;**
- Vendor listing as needed or requested by the Board;
- Repository of all District records and act as Custodian of records for purposes of CORA (as that term is defined in the District's Resolution Designating an Official Custodian for Purposes of the Colorado Open Records Act, Sections 24-72-201 *et seq.*, C.R.S.).

#### **Communications**

- **24/7 answering and paging services;**
- Website administration. It is recommended that the District have a website; however, CLA will not provide a website for the District on CLA's website. CLA will oversee daily management and maintenance of the District website as needed or requested by the District;
- Respond to routine inquiries, questions and requests for information regarding the District;
- Periodic reports to the Board regarding the status of District matters and actions taken or contemplated by the District Manager on behalf of the District as requested by the Board;
- Provide liaison and coordination with municipal, county and state governmental agencies.

## Contract Administration

- **Insurance administration, including risk evaluation, comparison of coverage, processing claims, completion of applications, monitoring expiration dates, processing routine written and telephone correspondence;**
- Ensure all contractors and sub-contractors maintain the required insurance coverage for the District's benefit;
- Bidding, contract and construction administration and supervision of project processes assigned by the Board and project contractors;
- Confer with and coordinate legal, accounting, engineering, auditing and other professional services to the District by those professionals and consultants retained by the District as directed by the Board (CLA itself will not and cannot provide legal services);
- Represent the District with other entities and bodies as requested by the Board (but not as its representative for legal matters);
- Bid, contract, and supervise all District vendors

## Document Administration

- **Provide coordination and administration for the continuing revision of the District's Rules and Regulations;**
- Provide framed aerial photographic mapping of the District, if requested;
- In conjunction with and at the direction of the District's legal counsel, coordinate all elections for the District in accordance with state law, including preparation of election materials, publications, legal notices, training session for election judges and general election assistance; CLA will not serve as the Designated Election Official ("DEO");
- Administer any legal documents, permits, or agreements that relate to or District facilities and any Rules and Regulations adopted by the Board.

## Accounts Payable Services to be Provided:

- Receive and process all invoices;
- Coordinate review, approval and coding of all invoices with District Accountant and Board to ensure timely payment

In addition to these services, when, in the professional opinion of the District Manager, other services are necessary, the District Manager shall recommend the same to the Board or perform such services and report to the Board the nature of such services, the reason they were required, and the result achieved; provided however, with the exception of emergencies, that if such additional services are expected to cost more than \$2,000.00, the District Manager shall discuss such costs with the Board and receive prior authorization to perform such services.

## Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended

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if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

#### CLA'S 2021 STANDARD HOURLY RATES FOR PUBLIC MANAGEMENT SERVICES:

- Principals \$190 - \$325
- Public managers \$190 - \$325
- Assistant public managers \$110 - \$150
- Public management analysts \$110 - \$150
- District administrators \$125 - \$145
- Records retention coordinators \$ 90 - \$115

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

#### **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

#### **Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

##### ***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

##### ***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ or contract workers without authorization.

##### ***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (3) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (4) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**



Matt Urkoski  
Principal  
Matt.Urkoski@CLAconnect.com

APPROVED:

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Signature

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Title

---

Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
[CLAconnect.com](http://CLAconnect.com)

September 17, 2021

Board of Directors  
 Aurora Highlands Metropolitan District No. 2  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement ("MSA") documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide Aurora Highlands Metropolitan District No. 2 ("you," "your," or "the district"). The terms of this MSA will apply to the initial and each subsequent statement of work ("SOW"), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

#### **Scope of professional services**

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA's performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

#### **Management responsibilities**

Management and, when appropriate, the board of directors of the district acknowledge and understand that our role is to provide the services identified in an SOW and that management and the board of directors of the district have certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its management responsibilities. References to management in this MSA and in an SOW are applicable to the board of directors of the district.

### **Responsibilities and limitations related to nonattest services**

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

### **Fees and terms**

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform [claconnect.com/billpay](https://claconnect.com/billpay) accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

### ***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

### ***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

### **Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Colorado, without giving effect to choice of law principles.

### **Limitation of remedies**

**These limitation of remedies provisions are not applicable for any audit, examination, or agreed-upon procedures services provided to you.**

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a “CLA party”) and that this limitation of remedies provision is governed by the laws of the state of Colorado, without giving effect to choice of law principles.

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods (“Limitation Period”):

### **Consulting services**

- For each service pursuant to an SOW, separately within twenty-four (24) months after the date we deliver the services or work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW.
- Within twenty-four (24) months from the date of our last billing for services performed pursuant to the SOW on which the dispute is based.
- Within twenty-four (24) months after the termination by either party of either this MSA or the district’s ongoing relationship with CLA.

### **Tax services**

- For tax return preparation, separately within thirty-six (36) months after the date when we deliver any final tax return(s) pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW relating to said return(s).

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- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services pursuant to the SOW on which the dispute is based.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this MSA or the district's ongoing relationship with CLA.

***Examination, compilation, and preparation services related to prospective financial information***

- For examination, compilation, and preparation services related to prospective financial information (i.e., forecasts and projections), separately within twelve (12) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

***Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information***

- For audit, review, examination, agreed-upon procedures, compilation, and preparation services, separately within twenty-four (24) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

**CLA shall be authorized to the following cash access services:**

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
  - Paper checks – we will prepare the checks for your approval and wet ink signature.
  - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.
  - ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the Board to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

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### Management responsibilities relevant to CLA's access to your cash

All members of your Board of Directors are responsible for the processes below; however, we understand that you will designate one or more board members to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then Board will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

### Other provisions

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by law.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

When performing the services identified in applicable SOWs, we will utilize the resources available at the district, when applicable, to the extent practical to continue development of your personnel. During a portion of our work, we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this agreement, except as may be assumed in a SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

## **Consent**

### ***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Aurora Highlands Metropolitan District No. 2 information in these cost comparison, performance indicator, and/or benchmarking reports.

### ***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

### ***Technology***

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

**Termination of MSA**

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

**Agreement**

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

**CliftonLarsonAllen LLP**



Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

**Response:**

This agreement correctly sets forth the understanding of Aurora Highlands Metropolitan District No. 2.

APPROVED:

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Signature

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Title

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Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

## **Special Districts Preparation SOW**

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aurora Highlands Metropolitan District No. 2 ("you" and "your") dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Jason Carroll is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

### ***Ongoing normal accounting services:***

Outsourced accounting activities

For each fund of the district, CLA will generally prepare and maintain the following accounting records:

- Cash receipts journal
- Cash disbursements journal
- General ledger
- Accounts receivable journals and ledgers
- Deposits with banks and financial institutions
- Schedule of disbursements
- Bank account reconciliations
- Investment records
- Detailed development fee records

Process accounts payable including the preparation and issuance of checks for approval by a designated individual

Prepare billings, record billings, enter cash receipts, and track revenues

Reconcile certain accounts regularly and prepare journal entries

Prepare depreciation schedules

Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.

Prepare a schedule of cash position to manage the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of directors.

Prepare the annual budget and assist with the filing of the annual budget – additional information is provided below.

Assist the district's board of directors in monitoring actual expenditures against appropriation/budget.

If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors.

If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.

Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.

Review claims for reimbursement from related parties prior to the board of directors' review and approval.

Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements' requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.

Attend board meetings as requested.

Be available during the year to consult with you on any accounting matters related to the district.

Review and approve monthly reconciliations and journal entries prepared by staff

Reconcile complex accounts monthly and prepare journal entries

Analyze financial statements and present to management and the board of directors.

Develop and track key business metrics as requested and review periodically with the board of directors.

Document accounting processes and procedures

Continue process and procedure improvement implementation

Report and manage cash flows

Assist with bank communications.

Perform other nonattest services.

### **Compilation services**

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

### **Preparation services – financial statements**

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

### **Preparation services - annual**

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

### ***Preparation services – prospective financial information (i.e., unexpired budget information)***

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

### **Engagement objectives and our responsibilities**

The objectives of our engagement are to:

- a. Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.

- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

### **Engagement procedures and limitations**

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

### **Our report**

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption

from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation, the Application for Exemption from Audit (if an audit is not required), we will not issue reports on budget, the Application for Exemption from Audit as a result of this engagement.

### **No assurance statements**

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For best business type activities the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

### **Management responsibilities**

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management’s responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district’s operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
  - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
  - ii. Additional information that may be requested for the purpose of the engagement.
  - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

### **Fees, time estimates, and terms**

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended

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if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$425
Chief Financial Officer	\$200 - \$385
Controller	\$180 - \$250
Senior	\$140 - \$180
Staff	\$ 80 - \$150
Administrative support	\$ 80 - \$120

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

#### **Use of financial statements, the annual budget, the Application for Exemption from Audit**

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

#### **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should

discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

**Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ and contract workers without authorization.

***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with a worker without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "Jason Carroll". The signature is fluid and cursive, with the first name "Jason" and last name "Carroll" clearly distinguishable.

Jason Carroll, CPA

Principal

Jason.Carroll@CLAconnect.com

APPROVED:

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Signature

---

Title

---

Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

**Payroll Services SOW**  
**Date: September 17, 2021**

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Aurora Highlands Metropolitan District No. 2 (“you” and “your”) dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

**Scope of payroll preparation services**

We will provide the following payroll preparation services from information you provide:

- For each pay period:
  - Perform payroll calculations
  - Prepare payroll checks or pay-stubs in the case of direct deposit of employee net pay
  - Initiate electronic transfer of funds for employee net pay and payroll tax deposit liabilities
  - Processing retirement plan contribution payments
  - Preparation of retirement plan and other census information
- Prepare the following government forms annually for each calendar year-end (may be filed electronically):
  - All copies of required forms W-2 and W-3
  - Form 940 – Employers Annual Federal Unemployment Tax Return, if applicable
  - Form 943 – Employers Annual Tax Return for Agricultural Employees
  - All necessary state forms, if applicable
- If applicable, prepare the following government reporting forms for each calendar quarter-end (may be filed electronically):
  - Form 941 – Employers Quarterly Tax Return
  - State Employers Quarterly Withholding Return
  - State Employers Quarterly Unemployment Tax Return (SUTA)
  - Initiate electronic funds transfer for quarterly Federal Unemployment Tax (FUTA) liability
- Cash access services related to payroll services

- Obtain one or more signature stamps bearing the name(s) and facsimile signature(s) of any of your officer(s) who are responsible for signing checks and bank drafts on your behalf.
- Obtain access to electronic signatures or signatures embedded into cloud-based software for the purpose of drafting payments on your behalf.
- Prepare checks to be drawn upon your bank account(s) and to use the above noted methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Initiate the direct deposit of employee net pay from funds drawn upon your bank account(s).
- The following services would impair independence
  - Accept responsibility to authorize payment of client funds, electronically or otherwise, except as specifically provided for with respect to electronic payroll tax payments.
  - Accept responsibility to sign or cosign client checks, even if only in emergency situations.
  - Maintain a client's bank account or otherwise have custody of a client's funds or make credit for banking decisions for the client.

### **Our responsibility to you and limitations of the payroll services**

We will prepare the entity's federal and state (if applicable) payroll forms and tax returns in accordance with the applicable payroll tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's payroll that we may not identify as a result of misrepresentations made to us by you.

Our payroll preparation services will include electronically transmitting information to taxing authorities and your financial institution to facilitate the electronic transfer of funds. Authorizations for us to provide these services will be made in separate communications.

Our payroll preparation services will include transmitting federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf. Authorizations for us to provide these services will be made in separate communications.

### **Your responsibilities**

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and returns. We will have no obligations with regard to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us. All necessary information should be provided to us within two days of the close of each payroll period or no later than two days prior to your payroll check date. A list of information we will require and the dates required will be provided in a separate communication.

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For all nonattest services we may provide to you, including these payroll services, management agrees to assume all management responsibilities; oversee the services; by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls.
- Careful review of paychecks or pay-stubs, and payroll journals for each periodic payroll.
- Accuracy of information used in the preparation and filing of all government forms.
- Review and pre-approval of each electronic funds transfer initiated on your behalf for employee net pay amounts, payroll tax and withholding liabilities, and related benefit amounts.

You are responsible to carefully review the paper returns that we prepare on your behalf before signing and submitting them to tax authorities. You are responsible to review the paper copies of payroll forms and tax returns that were filed electronically on your behalf. We will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

You are also responsible for the payment of payroll tax and withholding liabilities. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at [www.eftps.gov](http://www.eftps.gov), or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

### **Your responsibilities relevant to CLA's access to your cash**

Someone with management authority is responsible for the processes below. All approvals listed must be documented in writing, either electronically or manually:

- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all payroll runs prior to cash being committed.

### **Fees**

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Other than annual adjustments reflecting inflation, our professional fees will not fluctuate unless there is a significant change in the number of employees, taxing jurisdictions, or in the services you wish for us to provide. If such changes should occur, we will discuss any fee adjustments with you prior to making any changes to your billing. Lastly, any additional forms that you would like us to complete will be charged at an hourly fee.

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

### **Tax examinations**

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs.

### **Record retention**

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of the entity.

### **Tax consulting services**

This SOW also covers tax consulting services that may arise for which the entity seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the entity's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

### **Communications and confidentiality**

CLA will hold the information supplied by the entity to us in confidence and CLA will not disclose it to any other person or party, unless the entity authorizes us to do so, it is published or released by the entity, or it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

### **Consent to send you publications and other materials**

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes the entity name and address as well as the business and financial information you provided to us.

By signing and dating this SOW, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice. If you do not wish to authorize such use, please strike out this paragraph prior to signing the SOW.

### **Legal compliance**

The entity agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the entity or the entity's business, including the accuracy and lawfulness of any reports the entity submits to any government regulator, authority, or agency. The entity

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also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the entity to any governmental or regulatory body, or for any insurance reimbursement in the event that the entity is requested to do so by any lawful authority. CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "Jason Carroll". The signature is fluid and cursive, with the first name "Jason" and last name "Carroll" clearly distinguishable.

Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

Enclosures

**Response:**

This letter correctly sets forth the understanding of Aurora Highlands Metropolitan District No. 2.

APPROVED:

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Signature

---

Title

---

Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
[CLAconnect.com](http://CLAconnect.com)

## **Special Districts Management Services SOW**

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aurora Highlands Metropolitan District No. 2 ("you" and "your") dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Matt Urkoski is responsible for the performance of the engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the engagement.

### **Scope of Management Services**

CLA will perform the following services for the District:

#### **District Board of Directors ("Board") Meetings**

- **Coordination of all Board meetings;**
- Meeting Attendance: District Manager and/or designee will attend all Board meetings;
- Preparation and distribution of agenda and informational materials;
- Preparation of meeting minutes for all meetings;
- Preparation and posting of legal notices required in conjunction with the meetings;
- Other details incidental to meeting preparation and follow-up.

#### **Recordkeeping**

- **Maintain lists of persons and organizations for correspondence;**
- Vendor listing as needed or requested by the Board;
- Repository of all District records and act as Custodian of records for purposes of CORA (as that term is defined in the District's Resolution Designating an Official Custodian for Purposes of the Colorado Open Records Act, Sections 24-72-201 *et seq.*, C.R.S.).

#### **Communications**

- **24/7 answering and paging services;**
- Website administration. It is recommended that the District have a website; however, CLA will not provide a website for the District on CLA's website. CLA will oversee daily management and maintenance of the District website as needed or requested by the District;
- Respond to routine inquiries, questions and requests for information regarding the District;
- Periodic reports to the Board regarding the status of District matters and actions taken or contemplated by the District Manager on behalf of the District as requested by the Board;
- Provide liaison and coordination with municipal, county and state governmental agencies.

## Contract Administration

- **Insurance administration, including risk evaluation, comparison of coverage, processing claims, completion of applications, monitoring expiration dates, processing routine written and telephone correspondence;**
- Ensure all contractors and sub-contractors maintain the required insurance coverage for the District's benefit;
- Bidding, contract and construction administration and supervision of project processes assigned by the Board and project contractors;
- Confer with and coordinate legal, accounting, engineering, auditing and other professional services to the District by those professionals and consultants retained by the District as directed by the Board (CLA itself will not and cannot provide legal services);
- Represent the District with other entities and bodies as requested by the Board (but not as its representative for legal matters);
- Bid, contract, and supervise all District vendors

## Document Administration

- **Provide coordination and administration for the continuing revision of the District's Rules and Regulations;**
- Provide framed aerial photographic mapping of the District, if requested;
- In conjunction with and at the direction of the District's legal counsel, coordinate all elections for the District in accordance with state law, including preparation of election materials, publications, legal notices, training session for election judges and general election assistance; CLA will not serve as the Designated Election Official ("DEO");
- Administer any legal documents, permits, or agreements that relate to or District facilities and any Rules and Regulations adopted by the Board.

## Accounts Payable Services to be Provided:

- Receive and process all invoices;
- Coordinate review, approval and coding of all invoices with District Accountant and Board to ensure timely payment

In addition to these services, when, in the professional opinion of the District Manager, other services are necessary, the District Manager shall recommend the same to the Board or perform such services and report to the Board the nature of such services, the reason they were required, and the result achieved; provided however, with the exception of emergencies, that if such additional services are expected to cost more than \$2,000.00, the District Manager shall discuss such costs with the Board and receive prior authorization to perform such services.

## Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended

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if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

#### CLA'S 2021 STANDARD HOURLY RATES FOR PUBLIC MANAGEMENT SERVICES:

- Principals \$190 - \$325
- Public managers \$190 - \$325
- Assistant public managers \$110 - \$150
- Public management analysts \$110 - \$150
- District administrators \$125 - \$145
- Records retention coordinators \$ 90 - \$115

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

#### **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

#### **Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

##### ***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contact. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contact. [CRS 8-17.5-102(2)(a)(I) and (II)]

##### ***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ or contract workers without authorization.

##### ***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (3) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (4) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**



Matt Urkoski  
Principal  
Matt.Urkoski@CLAconnect.com

APPROVED:

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Signature

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Title

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Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

September 17, 2021

Board of Directors  
 Aurora Highlands Metropolitan District No. 3  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement ("MSA") documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide Aurora Highlands Metropolitan District No. 3 ("you," "your," or "the district"). The terms of this MSA will apply to the initial and each subsequent statement of work ("SOW"), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

### **Scope of professional services**

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA's performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

### **Management responsibilities**

Management and, when appropriate, the board of directors of the district acknowledge and understand that our role is to provide the services identified in an SOW and that management and the board of directors of the district have certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its management responsibilities. References to management in this MSA and in an SOW are applicable to the board of directors of the district.

### **Responsibilities and limitations related to nonattest services**

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

### **Fees and terms**

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform [claconnect.com/billpay](https://claconnect.com/billpay) accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

### ***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

### ***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

### **Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Colorado, without giving effect to choice of law principles.

### **Limitation of remedies**

**These limitation of remedies provisions are not applicable for any audit, examination, or agreed-upon procedures services provided to you.**

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a “CLA party”) and that this limitation of remedies provision is governed by the laws of the state of Colorado, without giving effect to choice of law principles.

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods (“Limitation Period”):

### **Consulting services**

- For each service pursuant to an SOW, separately within twenty-four (24) months after the date we deliver the services or work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW.
- Within twenty-four (24) months from the date of our last billing for services performed pursuant to the SOW on which the dispute is based.
- Within twenty-four (24) months after the termination by either party of either this MSA or the district’s ongoing relationship with CLA.

### **Tax services**

- For tax return preparation, separately within thirty-six (36) months after the date when we deliver any final tax return(s) pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW relating to said return(s).

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- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services pursuant to the SOW on which the dispute is based.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this MSA or the district's ongoing relationship with CLA.

***Examination, compilation, and preparation services related to prospective financial information***

- For examination, compilation, and preparation services related to prospective financial information (i.e., forecasts and projections), separately within twelve (12) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

***Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information***

- For audit, review, examination, agreed-upon procedures, compilation, and preparation services, separately within twenty-four (24) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

**CLA shall be authorized to the following cash access services:**

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
  - Paper checks – we will prepare the checks for your approval and wet ink signature.
  - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.
  - ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the Board to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

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### Management responsibilities relevant to CLA's access to your cash

All members of your Board of Directors are responsible for the processes below; however, we understand that you will designate one or more board members to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then Board will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

### Other provisions

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by law.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

When performing the services identified in applicable SOWs, we will utilize the resources available at the district, when applicable, to the extent practical to continue development of your personnel. During a portion of our work, we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this agreement, except as may be assumed in a SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

## **Consent**

### ***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Aurora Highlands Metropolitan District No. 3 information in these cost comparison, performance indicator, and/or benchmarking reports.

### ***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

### ***Technology***

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

**Termination of MSA**

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

**Agreement**

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

**CliftonLarsonAllen LLP**



Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

**Response:**

This agreement correctly sets forth the understanding of Aurora Highlands Metropolitan District No. 3.

APPROVED:

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Signature

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Title

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Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
**CLAconnect.com**

### **Special Districts Preparation SOW**

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Aurora Highlands Metropolitan District No. 3 (“you” and “your”) dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

#### **Scope of professional services**

Jason Carroll is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

#### ***Ongoing normal accounting services:***

Outsourced accounting activities

For each fund of the district, CLA will generally prepare and maintain the following accounting records:

- Cash receipts journal
- Cash disbursements journal
- General ledger
- Accounts receivable journals and ledgers
- Deposits with banks and financial institutions
- Schedule of disbursements
- Bank account reconciliations
- Investment records
- Detailed development fee records

Process accounts payable including the preparation and issuance of checks for approval by a designated individual

Prepare billings, record billings, enter cash receipts, and track revenues

Reconcile certain accounts regularly and prepare journal entries

Prepare depreciation schedules

Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.

Prepare a schedule of cash position to manage the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of directors.

Prepare the annual budget and assist with the filing of the annual budget – additional information is provided below.

Assist the district's board of directors in monitoring actual expenditures against appropriation/budget.

If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors.

If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.

Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.

Review claims for reimbursement from related parties prior to the board of directors' review and approval.

Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements' requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.

Attend board meetings as requested.

Be available during the year to consult with you on any accounting matters related to the district.

Review and approve monthly reconciliations and journal entries prepared by staff

Reconcile complex accounts monthly and prepare journal entries

Analyze financial statements and present to management and the board of directors.

Develop and track key business metrics as requested and review periodically with the board of directors.

Document accounting processes and procedures

Continue process and procedure improvement implementation

Report and manage cash flows

Assist with bank communications.

Perform other nonattest services.

### **Compilation services**

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

### **Preparation services – financial statements**

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

### **Preparation services - annual**

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

### ***Preparation services – prospective financial information (i.e., unexpired budget information)***

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

### **Engagement objectives and our responsibilities**

The objectives of our engagement are to:

- a. Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.

- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

### **Engagement procedures and limitations**

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

### **Our report**

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption

from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation, the Application for Exemption from Audit (if an audit is not required), we will not issue reports on budget, the Application for Exemption from Audit as a result of this engagement.

### **No assurance statements**

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For best business type activities the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

### **Management responsibilities**

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management’s responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district’s operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
  - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
  - ii. Additional information that may be requested for the purpose of the engagement.
  - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

### **Fees, time estimates, and terms**

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended

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if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$425
Chief Financial Officer	\$200 - \$385
Controller	\$180 - \$250
Senior	\$140 - \$180
Staff	\$ 80 - \$150
Administrative support	\$ 80 - \$120

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

#### **Use of financial statements, the annual budget, the Application for Exemption from Audit**

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

#### **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should

discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

**Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ and contract workers without authorization.

***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with a worker without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "Jason Carroll". The signature is fluid and cursive, with the first name "Jason" and last name "Carroll" clearly distinguishable.

Jason Carroll, CPA

Principal

Jason.Carroll@CLAconnect.com

APPROVED:

---

Signature

---

Title

---

Date

**CliftonLarsonAllen LLP**

8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348

**CLAconnect.com**

**Payroll Services SOW**  
**Date: September 17, 2021**

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Aurora Highlands Metropolitan District No. 3 ("you" and "your") dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

**Scope of payroll preparation services**

We will provide the following payroll preparation services from information you provide:

- For each pay period:
  - Perform payroll calculations
  - Prepare payroll checks or pay-stubs in the case of direct deposit of employee net pay
  - Initiate electronic transfer of funds for employee net pay and payroll tax deposit liabilities
  - Processing retirement plan contribution payments
  - Preparation of retirement plan and other census information
- Prepare the following government forms annually for each calendar year-end (may be filed electronically):
  - All copies of required forms W-2 and W-3
  - Form 940 – Employers Annual Federal Unemployment Tax Return, if applicable
  - Form 943 – Employers Annual Tax Return for Agricultural Employees
  - All necessary state forms, if applicable
- If applicable, prepare the following government reporting forms for each calendar quarter-end (may be filed electronically):
  - Form 941 – Employers Quarterly Tax Return
  - State Employers Quarterly Withholding Return
  - State Employers Quarterly Unemployment Tax Return (SUTA)
  - Initiate electronic funds transfer for quarterly Federal Unemployment Tax (FUTA) liability
- Cash access services related to payroll services

- Obtain one or more signature stamps bearing the name(s) and facsimile signature(s) of any of your officer(s) who are responsible for signing checks and bank drafts on your behalf.
- Obtain access to electronic signatures or signatures embedded into cloud-based software for the purpose of drafting payments on your behalf.
- Prepare checks to be drawn upon your bank account(s) and to use the above noted methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Initiate the direct deposit of employee net pay from funds drawn upon your bank account(s).
- The following services would impair independence
  - Accept responsibility to authorize payment of client funds, electronically or otherwise, except as specifically provided for with respect to electronic payroll tax payments.
  - Accept responsibility to sign or cosign client checks, even if only in emergency situations.
  - Maintain a client's bank account or otherwise have custody of a client's funds or make credit for banking decisions for the client.

### **Our responsibility to you and limitations of the payroll services**

We will prepare the entity's federal and state (if applicable) payroll forms and tax returns in accordance with the applicable payroll tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's payroll that we may not identify as a result of misrepresentations made to us by you.

Our payroll preparation services will include electronically transmitting information to taxing authorities and your financial institution to facilitate the electronic transfer of funds. Authorizations for us to provide these services will be made in separate communications.

Our payroll preparation services will include transmitting federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf. Authorizations for us to provide these services will be made in separate communications.

### **Your responsibilities**

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and returns. We will have no obligations with regard to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us. All necessary information should be provided to us within two days of the close of each payroll period or no later than two days prior to your payroll check date. A list of information we will require and the dates required will be provided in a separate communication.

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For all nonattest services we may provide to you, including these payroll services, management agrees to assume all management responsibilities; oversee the services; by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls.
- Careful review of paychecks or pay-stubs, and payroll journals for each periodic payroll.
- Accuracy of information used in the preparation and filing of all government forms.
- Review and pre-approval of each electronic funds transfer initiated on your behalf for employee net pay amounts, payroll tax and withholding liabilities, and related benefit amounts.

You are responsible to carefully review the paper returns that we prepare on your behalf before signing and submitting them to tax authorities. You are responsible to review the paper copies of payroll forms and tax returns that were filed electronically on your behalf. We will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

You are also responsible for the payment of payroll tax and withholding liabilities. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at [www.eftps.gov](http://www.eftps.gov), or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

### **Your responsibilities relevant to CLA's access to your cash**

Someone with management authority is responsible for the processes below. All approvals listed must be documented in writing, either electronically or manually:

- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all payroll runs prior to cash being committed.

### **Fees**

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Other than annual adjustments reflecting inflation, our professional fees will not fluctuate unless there is a significant change in the number of employees, taxing jurisdictions, or in the services you wish for us to provide. If such changes should occur, we will discuss any fee adjustments with you prior to making any changes to your billing. Lastly, any additional forms that you would like us to complete will be charged at an hourly fee.

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

### **Tax examinations**

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs.

### **Record retention**

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of the entity.

### **Tax consulting services**

This SOW also covers tax consulting services that may arise for which the entity seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the entity's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

### **Communications and confidentiality**

CLA will hold the information supplied by the entity to us in confidence and CLA will not disclose it to any other person or party, unless the entity authorizes us to do so, it is published or released by the entity, or it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

### **Consent to send you publications and other materials**

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes the entity name and address as well as the business and financial information you provided to us.

By signing and dating this SOW, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice. If you do not wish to authorize such use, please strike out this paragraph prior to signing the SOW.

### **Legal compliance**

The entity agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the entity or the entity's business, including the accuracy and lawfulness of any reports the entity submits to any government regulator, authority, or agency. The entity

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also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the entity to any governmental or regulatory body, or for any insurance reimbursement in the event that the entity is requested to do so by any lawful authority. CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "Jason Carroll". The signature is fluid and cursive, with the first name "Jason" and last name "Carroll" clearly distinguishable.

Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

Enclosures

**Response:**

This letter correctly sets forth the understanding of Aurora Highlands Metropolitan District No. 3.

APPROVED:

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Signature

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Title

---

Date



**CliftonLarsonAllen LLP**  
 8390 East Crescent Pkwy., Suite 300  
 Greenwood Village, CO 80111  
 phone 303-779-5710 fax 303-779-0348  
[CLAconnect.com](http://CLAconnect.com)

## **Special Districts Management Services SOW**

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Aurora Highlands Metropolitan District No. 3 (“you” and “your”) dated September 17, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Matt Urkoski is responsible for the performance of the engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the engagement.

### **Scope of Management Services**

CLA will perform the following services for the District:

#### **District Board of Directors (“Board”) Meetings**

- **Coordination of all Board meetings;**
- Meeting Attendance: District Manager and/or designee will attend all Board meetings;
- Preparation and distribution of agenda and informational materials;
- Preparation of meeting minutes for all meetings;
- Preparation and posting of legal notices required in conjunction with the meetings;
- Other details incidental to meeting preparation and follow-up.

#### **Recordkeeping**

- **Maintain lists of persons and organizations for correspondence;**
- Vendor listing as needed or requested by the Board;
- Repository of all District records and act as Custodian of records for purposes of CORA (as that term is defined in the District’s Resolution Designating an Official Custodian for Purposes of the Colorado Open Records Act, Sections 24-72-201 *et seq.*, C.R.S.).

#### **Communications**

- **24/7 answering and paging services;**
- Website administration. It is recommended that the District have a website; however, CLA will not provide a website for the District on CLA’s website. CLA will oversee daily management and maintenance of the District website as needed or requested by the District;
- Respond to routine inquiries, questions and requests for information regarding the District;
- Periodic reports to the Board regarding the status of District matters and actions taken or contemplated by the District Manager on behalf of the District as requested by the Board;
- Provide liaison and coordination with municipal, county and state governmental agencies.

## Contract Administration

- **Insurance administration, including risk evaluation, comparison of coverage, processing claims, completion of applications, monitoring expiration dates, processing routine written and telephone correspondence;**
- Ensure all contractors and sub-contractors maintain the required insurance coverage for the District's benefit;
- Bidding, contract and construction administration and supervision of project processes assigned by the Board and project contractors;
- Confer with and coordinate legal, accounting, engineering, auditing and other professional services to the District by those professionals and consultants retained by the District as directed by the Board (CLA itself will not and cannot provide legal services);
- Represent the District with other entities and bodies as requested by the Board (but not as its representative for legal matters);
- Bid, contract, and supervise all District vendors

## Document Administration

- **Provide coordination and administration for the continuing revision of the District's Rules and Regulations;**
- Provide framed aerial photographic mapping of the District, if requested;
- In conjunction with and at the direction of the District's legal counsel, coordinate all elections for the District in accordance with state law, including preparation of election materials, publications, legal notices, training session for election judges and general election assistance; CLA will not serve as the Designated Election Official ("DEO");
- Administer any legal documents, permits, or agreements that relate to or District facilities and any Rules and Regulations adopted by the Board.

## Accounts Payable Services to be Provided:

- Receive and process all invoices;
- Coordinate review, approval and coding of all invoices with District Accountant and Board to ensure timely payment

In addition to these services, when, in the professional opinion of the District Manager, other services are necessary, the District Manager shall recommend the same to the Board or perform such services and report to the Board the nature of such services, the reason they were required, and the result achieved; provided however, with the exception of emergencies, that if such additional services are expected to cost more than \$2,000.00, the District Manager shall discuss such costs with the Board and receive prior authorization to perform such services.

## Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended

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if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

#### CLA'S 2021 STANDARD HOURLY RATES FOR PUBLIC MANAGEMENT SERVICES:

- Principals \$190 - \$325
- Public managers \$190 - \$325
- Assistant public managers \$110 - \$150
- Public management analysts \$110 - \$150
- District administrators \$125 - \$145
- Records retention coordinators \$ 90 - \$115

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

#### **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

#### **Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

##### ***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contact. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contact. [CRS 8-17.5-102(2)(a)(I) and (II)]

##### ***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ or contract workers without authorization.

##### ***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (3) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (4) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

**CliftonLarsonAllen LLP**



Matt Urkoski  
Principal  
Matt.Urkoski@CLAconnect.com

APPROVED:

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Signature

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Title

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Date