

## **ATEC METROPOLITAN DISTRICT NOS. 1 AND 2**

8390 East Crescent Parkway, Suite 300

Greenwood Village, CO 80111

Phone: 303-779-5710

### **NOTICE OF A SPECIAL MEETING AND AGENDA**

<b><u>Boards of Directors:</u></b>	<b><u>Office:</u></b>	<b><u>Term/Expiration:</u></b>
Matt Hopper	President	2022/May 2022
Carla Ferreira	Vice President	2022/May 2022
Michael Sheldon	Treasurer	2022/May 2022
Deanna Hopper	Assistant Secretary	2020/May 2020
Kathleen Sheldon	Assistant Secretary	2020/May 2020
	Secretary	N/A

DATE: April 10, 2020  
TIME: 1:00 P.M.  
PLACE: Aurora Highlands Construction Trailer  
4271 North Gun Club Road  
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 CONFERENCE CALL. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-888-875-1833 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 562567. THERE WILL BE ONE PERSON PRESENT AT THE ABOVE-REFERENCED PHYSICAL LOCATION.**

#### **I. ADMINISTRATIVE MATTERS**

A. Present disclosures of potential conflicts of interest and confirm quorum.

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B. Approve Agenda confirm location of the meeting, posting of meeting notices and designate 24-Hour posting place location.

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#### **II. CONSENT AGENDA**

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

- Ratify approval of engagement of CliftonLarsonAllen LLP for District Management Services.
- Consider appointment of Denise Denslow as Secretary to the Boards of Directors.
- Review and consider approval of Minutes from the November 21, 2019 Organizational Meeting and the December 5, 2019 Special Meeting (enclosures).

### **III. BUDGET AMENDMENT**

- A. Conduct Public Hearings to consider Amendments to 2020 Budgets and (if necessary) consider adoption of Resolutions to Amend the 2020 Budgets and appropriate expenditures.
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### **IV. LEGAL MATTERS**

- A. Review and consider adoption of Resolutions by each of ATEC Metropolitan District Nos. 1 and 2 (hereinafter referred to as “District No. 1”, “District No. 2”, and collectively as the “Districts”) Acknowledging and Adopting the Master Declaration of Covenants, Conditions and Restrictions for the Aurora Highlands (enclosures).
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- B. Review and consider approval of The Aurora Highlands Community Authority Board (“CAB”) First Amended and Restated Establishment Agreement between and among Aerotropolis Area Coordinating Metropolitan District (“AACMD”), The Aurora Highlands Metropolitan District Nos. 1, 2 and 3 and the Districts (enclosure).
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- C. Acknowledge Inclusion Agreements by and between AACMD and each of the following entities: Aurora Tech Center Development, LLC; Aurora Tech Center Holdings, LLC; Aurora Highlands Holdings, LLC; Aurora Highlands, LLC; GVR King Commercial, LLC; SJSA Investments, LLC; GVR King LLC; Green Valley East, LLC; and GVRE 470 LLC.
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- D. Review and consider approval of Intergovernmental Agreement regarding Coordination of Facilities Funding for District No. 1 Projects by and among District No. 1, the CAB and Aurora Highlands, LLC (enclosure).
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- E. Discuss and consider approval of Disclosure to Purchasers (to be distributed).
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**V. FINANCIAL MATTERS**

- A. Ratify approval of preparation, execution and filing of 2019 Applications for Exemption from Audit (enclosures).
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- B. Discuss status of proposed CAB bond issuance and related Pledge Agreements.
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- (i) Review and consider approval of a Mill Levy Policy Agreement by and among the CAB, AACMD, The Aurora Highlands Metropolitan District Nos. 1, 2 and 3 and the Districts (to be distributed).
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- (ii) Review and consider adoption of Resolutions Authorizing a Capital Pledge Agreement by and among each of the Districts, Zions Bancorporation, National Association and the CAB for the purpose of securing debt obligations of the CAB thereunder in a maximum aggregate principal amount of up \$4,000,000,000 and authorizing the execution and delivery by each District of all documents, agreements and certificates in connection therewith (enclosures).
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**VI. CONSTRUCTION MATTERS**

- A.
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**VII. OTHER BUSINESS**

- A.
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**VIII. ADJOURNMENT THE NEXT REGULAR MEETING IS SCHEDULED FOR**

**NOVEMBER 19, 2020.**

**MINUTES OF THE ORGANIZATIONAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
ATEC METROPOLITAN DISTRICT NO. 1  
(THE “DISTRICT”)  
HELD  
NOVEMBER 21, 2019**

An organizational meeting of the Board of Directors of the District (referred to hereafter as the “Board”) was convened on Thursday, the 21<sup>st</sup> day of November, 2019, at 3:30 P.M., at the offices of McGeady Becher P.C., 450 E. 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado. The meeting was open to the public.

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**Directors In Attendance Were:**

Matt Hopper  
Carla Ferreira  
Michael Sheldon

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

**Also In Attendance Was:**

MaryAnn McGeady, Esq. and Jon Hoistad, Esq.; McGeady Becher P.C.

Lisa Johnson and Brian Bowers; Special District Management Services, Inc.

Debra Sedgeley; CliftonLarsonAllen LLP

Todd Johnson; Terra Forma Solutions, Inc.

Carlo Ferreira and Cynthia Shearon; Aurora Highlands, LLC

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**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney McGeady requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney McGeady noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes.

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## **ADMINISTRATIVE MATTERS**

**Agenda:** Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's organizational meeting.

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

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries, or within the county in which the District is located, or within twenty (20) miles of the District boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

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

**Oaths of Office and Organizational Documents:** It was confirmed by Attorney McGeady that the oaths of office and organizational documents had been filed with the proper offices.

**Special District Public Disclosure Document:** Attorney McGeady explained the requirements of Section 32-1-104.8, C.R.S., to the Board and acknowledged the recording of the General Disclosure Document as required thereunder. No action was required by the Board.

**Appointment of Officers:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the following slate of officers were appointed for the District:

President:	Matt Hopper
Vice President:	Carla Ferreira
Secretary:	Lisa Johnson
Assistant Secretary:	Deanna Hopper
Assistant Secretary:	Kathleen Sheldon
Treasurer/Assistant Secretary:	Michael Sheldon

**Resolution Authorizing District Insurance Coverage through the Colorado Special Districts Property and Liability Pool and the Special District Association:** Attorney McGeady reviewed the statutory requirements for insurance coverage with the Board. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote unanimously carried, the Board adopted Resolution No. 2019-11-01; Resolution Authorizing

District Insurance Coverage through the Colorado Special Districts Property and Liability Pool and the Special District Association.

**Agency Services Agreement by and between the District and T. Charles Wilson Insurance Service:** Following review and discussion, upon motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote unanimously carried, the Board approved the Agency Services Agreement by and between the District and T. Charles Wilson Insurance Service.

**Directors' Fees:** The Board discussed the payment of directors' fees. Following discussion, it was determined that directors would not be paid at this time.

**Engagement of McGeady Becher P.C. as District General Counsel:** The Board considered the engagement of McGeady Becher P.C. as District General Counsel. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board engaged McGeady Becher P.C. as District General Counsel.

**Engagement of Special District Management Services, Inc. as District Manager:** The Board considered the engagement of Special District Management Services, Inc. as District Manager. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board engaged Special District Management Services, Inc. as District Manager.

**Engagement of CliftonLarsonAllen LLP as District Accountant:** The Board considered the engagement of CliftonLarsonAllen LLP as District Accountant. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board engaged CliftonLarsonAllen LLP as District Accountant.

**Eligible Governmental Entity Agreement by and among the District, ATEC Metropolitan District No. 2 and the Statewide Internet Portal Authority of the State of Colorado ("SIPA IGA"):** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira, and upon vote unanimously carried, the Board approved the SIPA IGA.

**2019 Regular Meeting Schedule/Resolution Establishing Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices ("Resolution No. 2019-11-02"):** The Board determined to hold its regular meetings in 2019 on an "as needed" basis, at the offices of McGeady Becher P.C., 450 E. 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira, and upon vote unanimously carried, the Board approved Resolution No. 2019-11-02.

**2020 Regular Meeting Schedule/Resolution Establishing Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices ("Resolution No. 2019-11-03"):** The Board determined to hold its regular meetings in 2020 on November 19<sup>th</sup> at 1:00

p.m., at the Sales and Information Office, 3900 E. E-470, Aurora, Colorado. Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira, and upon vote unanimously carried, the Board approved Resolution No. 2019-11-03.

## **FINANCIAL MATTERS**

**Federal Employer Identification Number (“FEIN”), Sales Tax Exemption and PDPA Numbers:** Following discussion, upon a motion duly made by Director Ferreira, seconded by Director M. Sheldon and, upon vote, unanimously carried, the Board approved the execution of the following documents:

1. Form SS-4 Application for FEIN;
2. Application for Sales Tax Exemption for Colorado Organizations; and
3. Application by Official Custodian for Assignment of PDPA Number for Public Funds Deposited in Banks.

**Investment Policy:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board approved the establishment of a policy authorizing investments in accordance with state statutes.

**Appointment of District Accountant to Prepare 2019 and 2020 Budgets:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board ratified appointment of the District Accountant to prepare the District’s 2019 and 2020 Budgets.

**Public Hearing on 2019 Budget:** The Board opened the public hearing to consider the District’s proposed 2019 Budget. It was noted that publication of a Notice stating that the Board would consider adoption of the 2019 Budget, and the date, time and place of the hearing was made in a newspaper having general circulation within the District. No public was in attendance. The Board closed the public hearing.

Following review and discussion, upon a motion made by Director M. Sheldon, seconded by Director Ferreira and, upon vote unanimously carried, the Board adopted Resolution No. 2019-11-04; Resolution to Adopt Budget and Appropriate Sums of Money. The District directed Ms. Johnson to transmit the Certification of Budget to the Division of Local Government.

**Public Hearing on 2020 Budget:** The Board then opened the public hearing to consider the District’s proposed 2020 Budget and discuss related issues.

It was noted that publication of a Notice stating that the Board would consider adoption of the 2020 Budget, and the date, time and place of the public hearing



was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. There was no public in attendance. The public hearing was closed.

Ms. Sedgeley reviewed the estimated 2019 expenditures and the proposed 2020 expenditures.

Following review and discussion, upon a motion made by Director Ferreira, seconded by Director M. Sheldon and, upon vote unanimously carried, Resolution No. 2019-11-05; Resolution to Adopt the 2020 Budget and Appropriate Sums of Money and Resolution No. 2019-11-06; Resolution to Set Mill Levies (35.000 mills in the General Fund) were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2019 and subject to appointed committee final approval. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County, not later than December 15, 2019. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

**DLG-70 Mill Levy Certification Form:** The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

**District Bank Account:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board approved the establishment of an operating account with CSAFE.

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## **LEGAL MATTERS**

**Intergovernmental Agreement by and among the District, ATEC Metropolitan District No. 2 and the City of Aurora ("Aurora"):** Attorney McGeedy reviewed the Intergovernmental Agreement by and among the District, ATEC Metropolitan District No. 2 and Aurora, required pursuant to the District's Service Plan. Following discussion, upon motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement by and between the District and

Aurora.

**Resolution Providing Policy Regarding Recording of Public and Executive Session Meetings:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-07; Resolution Providing Policy Regarding Recording of Public and Executive Session Meetings.

**Resolution Providing for the Defense and Indemnification of Directors and Employees of the District:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-08; Resolution Providing for the Defense and Indemnification of Directors and Employees of the District.

**Resolution Declaring the District's Intent to Reimburse Expenditures with the Proceeds of Future Tax-Exempt Bonds:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-09; Resolution Declaring the District's Intent to Reimburse Expenditures with the Proceeds of Future Tax-Exempt Bonds.

**Resolution Regarding the District's Intent to Reimburse Developer for Advances for Operations, Maintenance and Capital Expenses:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-10; Resolution Regarding the District's Intent to Reimburse Developer for Advances for Operations, Maintenance and Capital Expenses.

**Resolution Regarding Colorado Open Records Act Requests:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-11; Resolution Regarding Colorado Open Records Act Requests.

**Resolution Regarding the Retention and Disposal of Public Records and Adopting a Public Record Retention Schedule:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-12; Resolution Regarding the Retention and Disposal of Public Records and Adopting a Public Records Retention Schedule.

**Potential Inclusion/Exclusion of Property:** Discussion ensued regarding the inclusion of additional property into the District. No action was taken at this time.

**Resolution Approving The Aurora Highlands Community Authority Board Establishment Agreement and Organizing the Community Authority Board Pursuant to Section 23-1-203.5, C.R.S.:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-13; Resolution Approving The Aurora Highlands Community Authority Board Establishment Agreement and Organizing the Community Authority Board Pursuant to Section 23-1-203.5, C.R.S.

**Resolution Appointing Representatives to The Aurora Highlands Community Authority Board (“CAB”):** Following discussion, upon a motion duly made by Director Ferreira, seconded by Director M. Sheldon and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-14; Resolution Appointing Representatives to the CAB.

**Proposed CAB Bond Issuance:** Ms. McGeady updated the Board with regard to status of the proposed CAB Bond issuance.

**Engagement of Kutak Rock LLP as Bond Counsel to the CAB and Certain Related Entities:** Following discussion, upon a motion duly made by Director Ferreira, seconded by Director M. Sheldon and, upon vote, unanimously carried, the Board approved the engagement of Kutak Rock LLP as Bond Counsel to the CAB and certain related entities (Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District Nos. 1-3, the District and ATEC Metropolitan District No. 2).

**Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election (“2020 Election Resolution”):** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director Ferreira and, upon vote, unanimously carried, the Board adopted the 2020 Election Resolution.

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## **OTHER BUSINESS**

**Website Consent:** Following discussion, upon motion duly made by Director Ferreira, seconded by Director M. Sheldon and, upon vote, unanimously carried, the Board consented to have the District be listed on the McGeady Becher P.C. website.

**Schedule for Construction of Public Improvements:** Discussion of this matter was deferred.

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**ADJOURNMENT**

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

Respectfully submitted,

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Secretary

**MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
ATEC METROPOLITAN DISTRICT NO. 1  
(THE “DISTRICT”)  
HELD  
DECEMBER 5, 2019**

A special meeting of the Board of Directors of the District (referred to hereafter as the “Board”) was convened on Thursday, the 5<sup>th</sup> day of December, 2019, at 1:00 P.M., at the offices of McGeady Becher P.C., 450 E. 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado. The meeting was open to the public.

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**Directors In Attendance Were:**

Matt Hopper  
Michael Sheldon  
Deanna Hopper

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

**Also In Attendance Was:**

MaryAnn McGeady, Esq., Jon Hoistad, Esq. and Jennifer Pino ; McGeady Becher P.C.

Ann Finn; Special District Management Services, Inc.

Debra Sedgeley; CliftonLarsonAllen LLP

Todd Johnson; Terra Forma Solutions, Inc.

Cynthia Shearon; Aurora Highlands, LLC

Bruce Rau; Oakwood Homes LLC

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**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney McGeady requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney McGeady noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes.

## **ADMINISTRATIVE MATTERS**

**Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

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

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director M. Sheldon, seconded by Director D. Hopper and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries, or within the county in which the District is located, or within twenty (20) miles of the District boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

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## **FINANCIAL MATTERS**

None.

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## **LEGAL MATTERS**

**Public Hearing on Inclusion of Real Property Owned by Green Valley East LLC:** The Board opened the public hearing to consider the Petition received from Green Valley East LLC to Include Real Property (approximately 1.000 acres) into the District.

It was noted that publication of Notice stating that the Board would consider approving the inclusion of the Real Property owned by Green Valley East LLC into the District was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following discussion, the Board considered the adoption of Resolution No. 2019-12-01, Resolution for Inclusion of Real Property into the District as set forth in the Petition. Upon motion duly made by Director M. Sheldon, seconded by Director D. Hopper, and upon vote, unanimously carried, Resolution No. 2019-12-01; Resolution for Inclusion of Real Property, was adopted.

**The Aurora Highlands Community Authority Board ("CAB") Bond Issuance:** Ms. McGeady updated the Board with regard to status of the proposed CAB Bond issuance.

**Engagement of Kutak Rock LLP as Bond Counsel to the CAB and Certain Related Entities:** Following discussion, upon a motion duly made by Director M. Sheldon, seconded by Director D. Hopper and, upon vote, unanimously carried, the Board ratified approval of the engagement of Kutak Rock LLP as Bond Counsel to the CAB and certain related entities (Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District Nos. 1-3, the District and ATEC Metropolitan District No. 2).

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**OTHER BUSINESS**

None.

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**ADJOURNMENT**

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

Respectfully submitted,

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Secretary

**RESOLUTION NO. 2020-04-\_\_\_\_\_**

**RESOLUTION OF ATEC METROPOLITAN DISTRICT NO. 1 ACKNOWLEDGING  
AND ADOPTING THE MASTER DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR THE AURORA HIGHLANDS**

A. ATEC Metropolitan District No. 1 (“**ATEC No. 1**”) is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended (“**C.R.S.**”).

B. Aurora Highlands, LLC, a Nevada limited liability company (the “**Developer**”), the master developer of The Aurora Highlands project (the “**Property**”), has executed a Master Declaration of Covenants, Conditions and Restrictions for the Property recorded in the real property records of Adams County, State of Colorado, on February 2, 2020, at reception number 2020000010483 (as the same may be amended, supplemented, and/or modified from time to time, the “**Declaration**”), which Declaration declares that the Property is and shall be subject to the Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, and altered in accordance with and subject to the covenants and use restrictions contained therein.

C. The Declaration provides that The Aurora Highlands Community Authority Board, (the “**CAB**”), a political subdivision and public corporation of the State of Colorado, created pursuant to Section 29-1-203, C.R.S. and that certain The Aurora Highlands Community Authority Board Establishment Agreement, made and entered into effective November 21, 2019 (as may be amended and/or restated, the “**CABEA**”), by and between Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, ATEC Metropolitan District No. 1, and ATEC Metropolitan District No. 2, each a quasi-municipal corporation and political subdivision of the State of Colorado (individually, a “**District**” and collectively the “**Districts**”), shall enforce each of the provisions provided therein on behalf of the Districts.

D. WHEREAS, Section 32-1-1004(8), C.R.S. authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district, name the metropolitan district as the enforcement or design review entity.

E. The Declaration assigns to the CAB all duties, rights and obligations to enforce the Declaration, design guidelines, and rules and regulations for covenant enforcement on behalf of each of the Districts with respect to real property within the boundaries of each District that is subject to the Declaration; and

F. The CABEA contemplates that ATEC No. 1 will adopt a resolution: (a) acknowledging its powers to enforce covenants pursuant to state statute and acknowledging its intention to provide for uniform enforcement of the covenants and the uniform provision of design review services; and (b) authorizing the CAB to perform such covenant enforcement and



design review services within its boundaries, in order to achieve such uniform enforcement of covenants and uniform provision of design review services.

G. The Board of Directors for ATEC No. 1 (the “**Board**”) wishes to adopt the Declaration as an official policy of ATEC No. 1 and to acknowledge the duties, obligations and rights assigned to the Districts and the CAB pursuant to such Declaration.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ATEC METROPOLITAN DISTRICT NO. 1 OF THE COUNTY OF ADAMS, STATE OF COLORADO:

1. The foregoing Recitals are incorporated into and made a substantive part of this Resolution.

2. The Board hereby determines that it is in the best interests of ATEC No. 1 and its property owners and users for ATEC No. 1 to adopt the Declaration as an official policy of ATEC No. 1 and to acknowledge the duties, obligations and rights assigned to the Districts and the CAB pursuant to such Declaration.

3. The Board hereby determines that it is in the best interests of ATEC No. 1 and its property owners and users for ATEC No. 1 to adopt this Resolution (a) acknowledging its powers to enforce covenants pursuant to state statute and acknowledging its intention to provide for uniform enforcement of the covenants and the uniform provision of design review services; and (b) authorizing the CAB to perform such covenant enforcement and design review services within its boundaries, in order to achieve such uniform enforcement of covenants and uniform provision of design review services.

4. The Board hereby authorizes the CAB to perform such covenant enforcement and design review services on behalf of ATEC No. 1 within the boundaries of ATEC No. 1, and directs the officers of ATEC No. 1 and ATEC No. 1 staff to take all actions necessary to execute the duties, rights and obligations of ATEC No. 1 as provided in the Declaration.

5. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, which shall be given effect in accordance with the manifest intent hereof.

6. This Resolution shall be effective upon recording of the Declaration in the Office of the Clerk and Recorder for the County of Adams, Colorado.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION OF ATEC METROPOLITAN DISTRICT NO.  
1 ACKNOWLEDGING AND ADOPTING THE MASTER DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE AURORA  
HIGHLANDS]**

**APPROVED AND ADOPTED** this 10<sup>th</sup> day of April, 2020.

**ATEC METROPOLITAN DISTRICT NO. 1**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2020-04-\_\_\_\_\_**

**RESOLUTION OF ATEC METROPOLITAN DISTRICT NO. 2 ACKNOWLEDGING  
AND ADOPTING THE MASTER DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR THE AURORA HIGHLANDS**

A. ATEC Metropolitan District No. 2 (“**ATEC No. 2**”) is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended (“**C.R.S.**”).

B. Aurora Highlands, LLC, a Nevada limited liability company (the “**Developer**”), the master developer of The Aurora Highlands project (the “**Property**”), has executed a Master Declaration of Covenants, Conditions and Restrictions for the Property recorded in the real property records of Adams County, State of Colorado, on February 2, 2020, at reception number 2020000010483 (as the same may be amended, supplemented, and/or modified from time to time, the “**Declaration**”), which Declaration declares that the Property is and shall be subject to the Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, and altered in accordance with and subject to the covenants and use restrictions contained therein.

C. The Declaration provides that The Aurora Highlands Community Authority Board, (the “**CAB**”), a political subdivision and public corporation of the State of Colorado, created pursuant to Section 29-1-203, C.R.S. and that certain The Aurora Highlands Community Authority Board Establishment Agreement, made and entered into effective November 21, 2019 (as may be amended and/or restated, the “**CABEA**”), by and between Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, ATEC Metropolitan District No. 1, and ATEC Metropolitan District No. 2, each a quasi-municipal corporation and political subdivision of the State of Colorado (individually, a “**District**” and collectively the “**Districts**”), shall enforce each of the provisions provided therein on behalf of the Districts.

D. WHEREAS, Section 32-1-1004(8), C.R.S. authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district, name the metropolitan district as the enforcement or design review entity.

E. The Declaration assigns to the CAB all duties, rights and obligations to enforce the Declaration, design guidelines, and rules and regulations for covenant enforcement on behalf of each of the Districts with respect to real property within the boundaries of each District that is subject to the Declaration; and

F. The CABEA contemplates that ATEC No. 2 will adopt a resolution: (a) acknowledging its powers to enforce covenants pursuant to state statute and acknowledging its intention to provide for uniform enforcement of the covenants and the uniform provision of design review services; and (b) authorizing the CAB to perform such covenant enforcement and

design review services within its boundaries, in order to achieve such uniform enforcement of covenants and uniform provision of design review services.

G. The Board of Directors for ATEC No. 2 (the “**Board**”) wishes to adopt the Declaration as an official policy of ATEC No. 2 and to acknowledge the duties, obligations and rights assigned to the Districts and the CAB pursuant to such Declaration.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ATEC METROPOLITAN DISTRICT NO. 2 OF THE COUNTY OF ADAMS, STATE OF COLORADO:

1. The foregoing Recitals are incorporated into and made a substantive part of this Resolution.

2. The Board hereby determines that it is in the best interests of ATEC No. 2 and its property owners and users for ATEC No. 2 to adopt the Declaration as an official policy of ATEC No. 2 and to acknowledge the duties, obligations and rights assigned to the Districts and the CAB pursuant to such Declaration.

3. The Board hereby determines that it is in the best interests of ATEC No. 2 and its property owners and users for ATEC No. 2 to adopt this Resolution (a) acknowledging its powers to enforce covenants pursuant to state statute and acknowledging its intention to provide for uniform enforcement of the covenants and the uniform provision of design review services; and (b) authorizing the CAB to perform such covenant enforcement and design review services within its boundaries, in order to achieve such uniform enforcement of covenants and uniform provision of design review services.

4. The Board hereby authorizes the CAB to perform such covenant enforcement and design review services on behalf of ATEC No. 2 within the boundaries of ATEC No. 2, and directs the officers of ATEC No. 2 and ATEC No. 2 staff to take all actions necessary to execute the duties, rights and obligations of ATEC No. 2 as provided in the Declaration.

5. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, which shall be given effect in accordance with the manifest intent hereof.

6. This Resolution shall be effective upon recording of the Declaration in the Office of the Clerk and Recorder for the County of Adams, Colorado.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION OF ATEC METROPOLITAN DISTRICT NO.  
2 ACKNOWLEDGING AND ADOPTING THE MASTER DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE AURORA  
HIGHLANDS]**

**APPROVED AND ADOPTED** this 10<sup>th</sup> day of April, 2020.

**ATEC METROPOLITAN DISTRICT NO. 2**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**The Aurora Highlands Community Authority Board First Amended and Restated Establishment Agreement (“Amended CABEA”)**

**Related Parties:**

- The Aurora Highland Community Authority Board (the “**CAB**”)
- Aerotropolis Area Coordinating Metropolitan District (“**AACMD**”), The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, ATEC Metropolitan District No. 1, and ATEC Metropolitan District No. 2 (individually, a “**CAB District**” and collectively the “**CAB Districts**”)

**Material Terms:**

- Amends and Restates The Aurora Highlands Community Authority Board Establishment Agreement, dated November 21, 2019 that created The Aurora Highlands Community Authority Board
- Establishes membership requirements and voting process for the CAB Board of Directors
- Empowers CAB to provide Administrative Services for the CAB Districts
- Establishes CAB powers relating to financing the Public Improvements
- Establishes CAB responsibility for operations and maintenance of the Public Improvements
- Establishes Budget Process for the CAB
- Establishes CAB responsibility for covenant enforcement and design review services
- Establishes insurance requirements for the CAB

**Summary:**

The primary purpose of the CAB is to (a) facilitate the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of the Public Improvements; and (b) provide certain services contemplated by the Service Plans of the CAB Districts on behalf of the CAB Districts, including covenant enforcement and design review services. The CAB will be governed by its Board of Directors (the “**CAB Board**”). AACMD will have the same number of votes on the CAB Board as the other CAB Districts combined. The CAB will provide all administrative services for the CAB Districts (such as management, accounting, finance, legal, etc.). The CAB will issue bonds to finance the Public Improvements, and the bonds will be repaid by revenue generated from the CAB Districts’ imposition of ad valorem property taxes and Development Fees. The CAB will operate and maintain the Public Improvements, with the costs of such operations and maintenance to be paid by revenue generated from the CAB Districts’ imposition of ad valorem property taxes. On or before December 10th of each year, each of the CAB Districts and the CAB will budget and appropriate funds for the ensuing year. The CAB will provide covenant enforcement and design review services for the existing covenants and any future covenants recorded against the Property. The CAB will carry general liability insurance, directors’ and officers’ liability insurance, and (if the CAB has employees) workers compensation insurance.

**Action to be Considered by the CAB Boards at April 10, 2020 Meeting:**

Review and adoption by the Board of Directors of the CAB and each of the CAB Districts

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
FIRST AMENDED AND RESTATED  
ESTABLISHMENT AGREEMENT**

**BETWEEN AND AMONG**

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 1  
THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 2  
THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3  
ATEC METROPOLITAN DISTRICT NO. 1  
AND  
ATEC METROPOLITAN DISTRICT NO. 2**

**DATED AND EFFECTIVE: APRIL 10, 2020**

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# **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD FIRST AMENDED AND RESTATED ESTABLISHMENT AGREEMENT**

**THIS FIRST AMENDED AND RESTATED THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD ESTABLISHMENT AGREEMENT (“CABEA”)** is made and entered into this 10<sup>TH</sup> day of April, 2020, between and among **AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT (“AACMD”), 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”), ATEC METROPOLITAN DISTRICT NO. 1 (“ATEC No. 1”), and ATEC METROPOLITAN DISTRICT NO. 2 (“ATEC No. 2”)** (collectively, the **“CAB Districts”**), all being quasi-municipal corporations and political subdivisions of the State of Colorado.

## **RECITALS**

A. The CAB Districts were organized pursuant to Service Plans, defined below, approved by the City Council of the City of Aurora, Colorado.

B. Pursuant to the Colorado Constitution, Article XIV, Sections 18(2)(a) and (b), and Section 29-1-203, C.R.S., metropolitan 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 of taxes, and the incurring of debt.

C. Pursuant to Section 29-1-203.5, C.R.S., metropolitan districts may contract with one another for the joint exercise of any function, service or facility lawfully authorized to each, including the establishment of a separate legal entity to do so as a political subdivision and public corporation of the State of Colorado.

D. The CAB Districts exist 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.

E. The Service Plans disclose and establish the necessity for, and anticipate one or more intergovernmental agreements between and/or among two or more of the CAB Districts concerning the financing, construction, operation and maintenance of Public Improvements (as defined in this CABEA) contemplated in the Service Plans and concerning the provision of services in the community to be served by the CAB Districts.

F. The Service Plans contemplate that the CAB Districts, with the approval of their electors, would enter into one or more intergovernmental agreements.

G. At elections of the qualified electors of each of the CAB Districts, 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. To the extent that this CABEA, as an intergovernmental agreement, constitutes a Multiple-Fiscal Year

Financial Obligation of one or more of the CAB Districts, the same has received voter approval in such elections.

H. The Service Plans describe certain Public Improvements to be financed in accordance with general plans of finance described or permitted in the Service Plans, from one or more of the following: (1) revenues received from the imposition of a mill levy within the CAB Districts; (2) revenue received from Fees collected by the CAB Districts; or (3) the proceeds of Bonds and other available revenues (including Developer Advances).

I. The CAB Districts agree that the Public Improvements are needed by the CAB Districts and that such Public Improvements will benefit the residents and property owners in the CAB Districts in terms of cost, quality, and level of service.

J. The CAB Districts agree that the coordinated construction, financing, completion and availability of the Public Improvements in a timely fashion within the Service Area (as defined in this CABEA) will promote the health, safety, prosperity, security, and general welfare of the current and future inhabitants and current and future property owners within the CAB Districts.

K. The CAB Districts desire to establish The Aurora Highlands Community Authority Board (the “CAB”), which shall: (i) plan for, design and construct, furnish, operate, and maintain the Public Improvements; and (ii) provide services authorized by the Service Plans, and to which each CAB District shall transfer certain revenues received by it in order to fund the Actual Operation and Maintenance Costs (as such terms are defined in this CABEA).

L. Each CAB District has agreed that: (i) the CAB shall own, operate, maintain, finance and construct the Public Improvements throughout the Service Area pursuant to the Long Term Capital Improvements Plan (as defined in this CABEA) benefiting the CAB Districts; and (ii) each of the CAB Districts shall transfer certain revenues received by it in order to fund the costs of construction, operation, and maintenance of such Public Improvements from its taxes and fees except for the revenues from the ARI Mill Levy, defined below, which are the subject of the ARTA Establishment Agreement, the AACMD/ARTA ARI Mill Levy IGA, and the CAB Districts ARI Mill Levy IGAs, all as defined below.

M. It is the purpose of this CABEA to bind the CAB Districts concerning capital expenditures and operation and maintenance expenses so that the cost of providing facilities and services to the entire Development (as defined in this CABEA) shall be shared by the property owners, taxpayers, and fee payers in the Service Area under the numerous circumstances which could occur in the future.

N. It is the intent of the CAB Districts that all bonds shall be issued by the CAB itself, from time to time, for the financing of the Public Improvements as set forth herein.

O. It is the intent of the CAB Districts that the CAB shall enter into contracts to plan, design, construct, and acquire the Public Improvements.

P. The amount of any bonds issued by the CAB or any applicable CAB District will 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 the bonds.

Q. The CAB Districts agree that the provision of services and the operation and maintenance of the Public Improvements by the CAB will be financed, primarily, by mill levies imposed by each of the CAB Districts for such purposes.

R. The CAB Districts desire to set forth their agreement regarding the implementation of guidelines and objectives set forth in the Service Plans for: (i) the financing, construction, and operation and maintenance of the Public Improvements; and (ii) the provision of services described in the Service Plans.

S. The CAB Districts acknowledge that AACMD entered into an Intergovernmental Agreement with the Board of County Commissioners of the County of Adams and the City of Aurora establishing the Aerotropolis Regional Transportation Authority dated February 27, 2018 (respectively, the “**ARTA Establishment Agreement**” and “**ARTA**”, both as defined below).

T. Pursuant to the terms of the ARTA Establishment Agreement, ARTA has the responsibility to finance and construct the Regional Transportation System, as defined therein (the “**Regional Transportation System**”, as also defined below).

U. ARTA has issued debt, and pursuant to the ARTA Establishment Agreement, ARTA will issue additional debt in the future to fund the Regional Transportation System.

V. AACMD has entered into that certain Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levies with ARTA dated May 22, 2019 (“**AACMD/ARTA ARI Mill Levy IGA**”).

W. Pursuant to the terms of the AACMD/ARTA ARI Mill Levy IGA, AACMD has agreed: (i) to impose the ARI Mill Levy; (ii) to collect and remit the ARI Mill Levy Revenues, defined below, to ARTA; and (iii) to enter into intergovernmental agreements with the other CAB Districts to cause the other CAB Districts to impose the ARI Mill Levy and to collect and remit the ARI Mill Levy Revenues to ARTA (the “**CAB Districts ARI Mill Levy IGAs**”).

X. The CAB Districts agree that the obligations of AACMD under the ARTA Establishment Agreement and the AACMD/ARTA ARI Mill Levy IGA, and the obligations of the CAB Districts under the CAB Districts ARI Mill Levy IGAs, shall remain the responsibility of AACMD and the other CAB Districts as set forth in such IGAs, and the CAB shall have no responsibility for the matters set forth therein unless specifically set forth in a written agreement between the CAB and AACMD and/or such CAB Districts, as applicable.

Y. The CAB Districts acknowledge that, prior to the organization of the CAB, AACMD coordinated the planning, design, and construction of the Public Improvements.

Z. The CAB Districts agree that: (i) the CAB shall enter into one or more agreements with AACMD pursuant to which AACMD will coordinate the planning, design, and construction

of certain of the Public Improvements; and (ii) that nothing in this CABEA is intended to limit the authority of AACMD or the CAB to enter into such agreements.

AA. The owner of certain real property within the Development has executed that certain Master Declaration of Covenants, Conditions and Restrictions for The Aurora Highlands, effective January 31, 2020, and recorded such document in the real property records of Adams County, Colorado on February 2, 2020, at reception number 2020000010483 (the “**TAH Master Declaration**”). The TAH Master Declaration initially encumbers certain real property located within District No.1, however, the TAH Master Declaration also contemplates that Supplemental Declarations (as such term is defined below) will add additional real property to the purview of the TAH Master Declaration after platting and prior to such additional real property being sold to a third party. Following the execution and recordation of a Supplemental Declaration, such real property shall thereafter be subject to the TAH Master Declaration, as amended from time to time, and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, and altered in accordance with and subject to the covenants and use restrictions contained in the TAH Master Declaration.

BB. The TAH Master Declaration provides that the CAB shall enforce each of the provisions provided therein on behalf of AACMD, District No. 1, District No. 2, and District No. 3, and additional metropolitan districts, which may include ATEC No. 1 and ATEC No. 2.

CC. The TAH Master Declaration further provides for The Aurora Highlands design guidelines (the “**TAH Design Guidelines**” as defined below) and The Aurora Highlands rules and regulations for covenant enforcement (the “**TAH Covenant Enforcement Rules and Regulations**” as defined below) to be administered, and enforced by the CAB on behalf of the applicable CAB Districts.

DD. Each of the CAB Districts intends that the CAB shall be authorized to undertake covenant enforcement and design review services within the boundaries of the applicable CAB District to the extent that the real property within such boundaries is subject to the TAH Master Declaration, the TAH Design Guidelines, the TAH Covenant Enforcement Rules and Regulations, and such additional declarations imposing covenants, conditions and restrictions, design guidelines, and rules and regulations as may be adopted from time to time for non-residential development that provide for enforcement by the CAB on behalf of any or all of the CAB Districts (the “**TAH Covenants**”); provided, however, that any and all revenues used to furnish such covenant enforcement and design review services in accordance with the TAH Master Declaration, the TAH Design Guidelines, the TAH Covenants, and the TAH Covenant Enforcement Rules and Regulations must be derived from within the boundaries of the CAB District in which the services are furnished.

EE. To promote efficient administration and enforcement of the TAH Master Declaration, the TAH Design Guidelines, the TAH Covenants, and the TAH Covenant Enforcement Rules and Regulations, AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1 and ATEC No. 2 wish to expressly authorize the CAB to exercise their powers with respect to covenant enforcement and design review services (the “**TAH Covenant Enforcement Services**” as defined below).

FF. Contemporaneously herewith, AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2 have each adopted a resolution: (i) acknowledging its powers to enforce covenants pursuant to state statute and acknowledging its intention to provide for uniform enforcement of the covenants and the uniform provision of design review services; and (ii) authorizing the CAB to perform such covenant enforcement and design review services within their respective boundaries, in order to achieve such uniform enforcement of covenants and uniform provision of design review services.

GG. AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2 wish to further define the CAB's authority to administer and enforce the TAH Master Declaration, the TAH Design Guidelines, the TAH Covenants, and the TAH Covenant Enforcement Rules and Regulations for the real property within their boundaries, subject to the terms and conditions set forth in this CABEA.

NOW, THEREFORE, for and in consideration of the Recitals and the mutual covenants in this CABEA, the CAB Districts agree as follows:

## **ARTICLE I : GENERAL PROVISIONS**

1.1 Interpretation. This CABEA shall be subject to the following rules of interpretation:

(a) The terms "herein", hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this CABEA as a whole, including all exhibits, addendums, and amendments, and not to any particular article, section, or subdivision of this CABEA unless otherwise specifically stated to the contrary.

(b) All definitions and terms shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals and Section 2.1.

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

(d) The term "and" can mean "or" and the term "or" can mean "and" in any provision, article or section of this CABEA.

1.2 Effective Date and Term. This CABEA shall be effective as of the Effective Date and shall continue to be in full force and effect until all of the following have occurred: (a) each and every CAB District agrees to terminate this CABEA; (b) there is no outstanding Debt; and (c) all Public Improvements owned by the CAB, and all services performed by the CAB, have been assumed by another governmental entity.

1.3 Purpose and Scope of CABEA. As more specifically set forth in this CABEA, the primary purpose of the CABEA is to create The Aurora Highlands Community Authority Board which will: (a) facilitate the planning, design, acquisition, construction, installation,



relocation, redevelopment, financing, and operation and maintenance of the Public Improvements; and (b) provide certain services contemplated by the Service Plans of the CAB Districts on behalf of the CAB Districts, including covenant enforcement and design review services, to benefit the taxpayers, property owners, and residents in the Development. The Service Plans describe the individual CAB Districts and contemplate that the CAB Districts will provide services and Public Improvements to serve the Development. This CABEA will enhance the ability of the CAB Districts, through the CAB, to effectively coordinate the provision of, and financing of, the Public Improvements and services set forth in the Service Plans, and will further facilitate the build-out of the Development in accordance with the City's land use regulations and development standards. The CAB Districts intend to cooperate with one another and with the CAB to effectuate the financing of, and operation and maintenance of, the Public Improvements, and effectuate the provision of services, in a manner that is equitably allocated among the CAB Districts and the residents and taxpayers of the CAB Districts. The statements of intention set forth in this Section 1.3 are essential to the proper interpretation of this CABEA and are intended to clarify the general intent of specific provisions contained in this CABEA.

1.4 Addition of Members. Any metropolitan district organized pursuant to the Act may request to become a CAB District upon its organization, subject to: (a) obtaining the unanimous agreement of the CAB Board, (b) obtaining the unanimous consent of the requesting district's board of directors, and (c) requesting district's execution of this CABEA.

1.5 Inactive Status and Return to Active Status. The CAB Districts acknowledge that one or more of the CAB Districts may elect to become inactive pursuant to the Act, and may determine to remain inactive, in any one or more of the years that this CABEA is in effect.

1.6 Incorporation of Recitals. The Recitals set forth above are incorporated into the body of this Agreement by this reference.

## ARTICLE II : DEFINITIONS

2.1 Definitions. As used in this CABEA, unless the context indicates otherwise, the words and terms defined below and capitalized throughout the text of this CABEA shall have the meanings set forth below.

(a) **“Act”** shall mean Title 32, Article 1, C.R.S., as the same may be amended from time to time.

(b) **“Actual Capital Costs”** shall mean those costs which are to be incurred by the CAB for the purpose of planning, designing, constructing, financing, and acquiring the Public Improvements, including, but not limited to, the following:

(i) All costs of labor and materials attributable to the actual construction or acquisition of the Public Improvements and all related components and materials used therein, and all other costs or fees due or paid under cost recovery agreements or due and paid under other agreements with the Developer or Third-Persons, together with all costs and fees incurred to obtain financing for the Public Improvements;

(ii) All costs attributable to the construction or acquisition of the Public Improvements and the Regional Transportation System or any part or component thereof incurred as a result of change orders approved in accordance with any construction contract;

(iii) All costs incurred for planning, design, engineering, construction, management, landscape architecture, engineering, soil testing and inspection, and line and systems testing and inspection attributable to the Public Improvements and the Regional Transportation System, including legal fees;

(iv) Site, permit, and right-of-way or easement acquisition costs, including legal fees;

(v) All bond costs, including, without limitation: (A) the principal and redemption price of, and interest and premium on, any Bonds, including any scheduled mandatory or cumulative sinking fund payments and any mandatory redemption or principal prepayment amounts as provided in the bond documents; (B) accumulation or replenishment of any reserves or surplus funds relating to the Debt; and (C) customary fees related to the issuance of the Debt (including, but not limited to, fees of a trustee, paying agent, rebate agent, and provider of liquidity or credit facility), fees related to remarketing the debt, and any reimbursement due to a provider of liquidity or credit facility securing any Debt;

(vi) All legal fees, management fees, bond issuance costs and fees, credit enhancement costs and fees, accounting fees, interest costs, and reserve funds incurred in connection with the financing, construction, or acquisition of the Public Improvements and the Regional Transportation System;

(vii) All costs for Bonds, insurance, construction administration, financial services, inspections, appraisals, and other professional fees;

(viii) Any other capital costs, expenses, or expenditures associated with the financing, construction, or acquisition of the Public Improvements and the Regional Transportation System; and

(ix) Reimbursement to the Developer for Developer Capital Advances to fund items in Section 2.1(b) (i)-(viii) above.

(c) **“Actual Operations and Maintenance Costs”** shall mean the costs incurred by the CAB to provide Operation and Maintenance Services for the Public Improvements and the Regional Transportation System and shall include the reimbursement to the Developer of the Developer Operating Advances.

(d) **“Alternate Board Member”** shall mean an alternate CAB Board Member, appointed from among a CAB District’s Board of Directors and authorized to serve on the CAB Board in the event such CAB District’s regular CAB Board Member is unable to attend a meeting or is no longer qualified to serve. Each CAB District appointing more than one Alternate Board Member shall establish an order according to which each such Alternate Board Member shall be authorized to serve on the CAB Board.

(e) “**ARI Mill Levy**” shall mean the ARI Mill Levy as defined in the Service Plans for each of the CAB Districts.

(f) “**ARI Mill Levy Revenues**” shall mean the revenue received by each CAB District from the imposition of the ARI Mill Levy.

(g) “**ARTA**” shall mean the Aerotropolis Regional Transportation Authority, a regional transportation district created and existing pursuant to Title 43, Article 4, Part 6, C.R.S., and any successor entity created to fulfill the purposes for which ARTA was established pursuant to the ARTA Establishment Agreement.

(h) “**ARTA Establishment Agreement**” shall mean the intergovernmental agreement between and among the Board of County Commissioners of the County of Adams, the City of Aurora, and the Aerotropolis Area Coordinating Metropolitan District establishing the Aerotropolis Regional Transportation Authority, dated February 27, 2018, which incorporates as Exhibit A thereto, the Regional Transportation System improvements, and any amendments thereto.

(i) “**Board**” or “**Boards**” shall mean the lawfully organized Board or Boards of Directors of the CAB District(s), as applicable.

(j) “**Board Meeting**” shall mean a regular or special meeting of the Board Members convened pursuant to Section 3.4(d) herein.

(k) “**Board Member**” shall mean a director of the CAB Board of Directors.

(l) “**Bonds**” shall mean bonds or other obligations for the payment of which the CAB Districts have promised to impose an *ad valorem* property tax mill levy and/or the CAB has promised to collect Development Fee revenue.

(m) “**Budget Year**” shall mean the year (immediately following the applicable Planning Year) during which the Actual Operations and Maintenance Costs and Actual Capital Costs are to be incurred.

(n) “**Bylaws**” shall mean any bylaws adopted by the CAB Board, as the same may be amended from time to time. In the absence of any bylaw(s) adopted by the CAB Board or addressing a particular circumstance or interpretation of bylaws adopted by the CAB Board, the CAB Board and any committees established by the CAB Board shall refer to *Robert’s Rules of Order, (11<sup>th</sup> Edition 2018)*.

(o) “**CAB**” shall mean The Aurora Highlands Community Authority Board established pursuant to this CABEA.

(p) “**CAB Board**” shall mean the Board of Directors of the CAB.

(q) “**CAB Districts**” shall mean all districts formed and operating pursuant to Title 32, C.R.S., which agree to the terms and conditions set forth in this CABEA and which are unanimously accepted by the CAB Board as members of the CAB, including, initially: (i)

AACMD, (ii) District No. 1, (iii) District No. 2, (iv) District No. 3, (v) ATEC No. 1, and (vi) ATEC No. 2.

(r) “**CAB Manager**” shall mean a professional manager or management company, hired by the CAB Board, who is experienced and knowledgeable in the management of authorities or local governments.

(s) “**CABEA**” shall mean this Community Authority Board Establishment Agreement and any exhibits, addendums, and amendments hereto made in accordance herewith.

(t) “**Capital Repair and Replacement Costs**” shall mean those costs related to the non-routine repair and replacement of the Public Improvements, as a part of the Actual Operations and Maintenance Costs, which shall be set forth in the Final Budget.

(u) “**City**” shall mean the City of Aurora, Colorado.

(v) “**Construction**” shall include, but not be limited to, construction, expansion, acquisition, capital maintenance, repair, and replacement of the Public Improvements.

(w) “**Construction Schedule**” shall mean the schedule showing the Public Improvements planned for Construction to commence during the Budget Year.

(x) “**County**” shall mean Adams County, Colorado.

(y) “**Covenant Enforcement Rules and Regulations**” shall mean the TAH Covenant Enforcement Rules and Regulations.

(z) “**Covenant Enforcement Services**” shall mean the TAH Covenant Enforcement Services.

(aa) “**C.R.S.**” shall mean the Colorado Revised Statutes as such statutes are amended from time to time. In the event of a repeal of a statute cited herein, the procedure contained in the statute immediately prior to repeal shall apply; provided, however, that if such repealed statute is replaced by another statute, then the new statute shall apply.

(bb) “**Debt**” shall mean: (i) any Bonds, promissory notes, agreements, instruments, or other obligations issued or incurred by the CAB, and payable from the *ad valorem* property taxes of the CAB Districts and other revenues of the CAB Districts, including, but not limited to, Fees, rates, tolls, and charges; or (ii) any other multiple fiscal year financial obligation whatsoever, the payment for which any of the CAB Districts has promised to impose an *ad valorem* property tax mill levy, but excluding any ARI Mill Levy or ARI Mill Levy Revenue.

(cc) “**Declaration**” shall mean the TAH Master Declaration, including any Supplemental Declaration created thereunder.

(dd) “**Design Guidelines**” shall mean the TAH Design Guidelines, as the same may be amended or supplemented from time to time.

(ee) **“Developer”** shall mean Aurora Highlands, LLC, a Nevada limited liability company, or its designated successors and permitted assigns.

(ff) **“Developer Advances”** shall mean, collectively, the Developer Capital Advances and the Developer Operating Advances.

(gg) **“Developer Capital Advances”** shall mean funds advanced by the Developer for payment of Actual Capital Costs, including the amounts previously advanced by the Developer for this purpose.

(hh) **“Developer Operating Advances”** shall mean funds advanced by the Developer for payment of Actual Operations and Maintenance Costs, including the amounts previously advanced by the Developer for this purpose.

(ii) **“Development”** or **“Property”** shall mean the approximately 3,920-acre development known as The Aurora Highlands and the Aurora Technology and Energy Center, located in the City of Aurora, County of Adams, State of Colorado, which is anticipated to be developed with single family and multi-family homes, commercial, retail, industrial, and other amenities, reaching an estimated population of approximately 41,823 people at full build-out.

(jj) **“Development Fees”** shall mean fees imposed by vote of the CAB, and memorialized in a writing recorded in the real property records of the County, for financing Actual Capital Costs, and such fees shall be required to be paid to the CAB prior to the issuance of a building permit.

(kk) **“District Administrative Costs”** shall mean the costs incurred by the CAB Districts directly related to administrative functions of each applicable CAB District, including, but not limited to, costs related to accounting, financing, audit, insurance, management, and legal services.

(ll) **“Effective Date”** shall mean April 10, 2020.

(mm) **“Event of Default”** shall mean any one or more of the events or the existence of one or more of the conditions set forth in Article XII hereof.

(nn) **“Expanded Notice”** shall mean, in addition to notice being posted as required by the Act, notification being provided by one of the following methods: (i) publication in a newspaper circulated within the City; (ii) an insert with a billing statement; or (iii) email or comparable then-current technology to all property owners. To constitute an Expanded Notice, publication must be made by one of the foregoing methods no less than thirty (30) days prior to the date of the meeting at which consideration of a final decision on the matter will be considered, and not more than sixty (60) days before the date of such meeting. Such Expanded Notice shall include contact information for the CAB and the CAB Districts where additional information may be obtained.

(oo) **“Fee”** shall mean, collectively, (i) any type of charge to any portion of the Service Area for any services or facilities provided by or through the CAB, (ii) any fees imposed

by the CAB for the Design Review Committee or Enforcement Committee services, or (iii) any other community-wide services or facilities provided by or through the CAB.

(pp) **“Final Budget”** shall mean the final budget in any year, and as may be amended within the fiscal year, as established and approved by the CAB following public hearings, for the payment of projected Actual Operations and Maintenance Costs and Actual Capital Costs.

(qq) **“Fine”** shall mean any monetary penalty imposed by the CAB due to a violation of the TAH Covenant Enforcement Rules and Regulations by such owner or resident of the subject real property.

(rr) **“Funding Account”** shall mean the account owned, established, and managed by the CAB.

(ss) **“Long Term Capital Improvement Plan”** shall mean that certain Long Term Capital Improvement Plan adopted by the CAB Board, and amended from time to time, for design and construction of the Public Improvements to serve the Service Area.

(tt) **“Multiple-Fiscal Year Financial Obligation”** shall mean the obligation of the CAB Districts evidenced hereunder, whereby the CAB Districts covenant to pay their respective shares of the Actual Operations and Maintenance Costs and their respective shares of the Actual Capital Costs.

(uu) **“Operations and Maintenances Services”** shall mean those costs incurred in the administration of the CAB, including, but not limited to: (i) the cost of assuring compliance with this CABEA and all applicable statutory and regulatory provisions; (ii) the costs of administering the Funding Account; and (iii) those tasks, services, and functions performed by or on behalf of the CAB, or provided to the CAB, which are necessary or appropriate in order to operate, maintain, repair, and replace the Public Improvements, generally including, without limitation, costs of labor and materials, management, legal, financing, accounting, construction and other professional services, insurance, bonds, permits, licenses, and other governmental approvals.

(vv) **“PIF Revenue”** (*definition reserved for future use*).

(ww) **“PILOT”** shall mean any covenant recorded against the Development or a portion of the Development requiring a payment in lieu of taxes if real or personal property within the Development is not subject to *ad valorem* property taxation.

(xx) **“Planning Year”** shall mean the year immediately preceding the corresponding Budget Year.

(yy) **“Plans”** shall mean the plans, documents, drawings, and other specifications prepared by or for the CAB for the Construction of any Public Improvements.

(zz) **“Present”** or **“Present at the Meeting”** shall mean either being physically present at a Board Meeting or attending a Board Meeting via phone or some other electronic device.

(aaa) **“Public Improvements”** shall mean those improvements and facilities to be financed and constructed as authorized under the Service Plans necessary for the completion of the Development, which shall include the Regional Transportation System.

(bbb) **“Regional Transportation System”** shall mean the regional transportation infrastructure projects identified on Exhibit A of the ARTA Establishment Agreement, as may be amended from time to time.

(ccc) **“Rules and Regulations”** shall mean those rules and regulations established by the CAB Board governing the operation and use of the Public Improvements, as the same may be amended from time to time.

(ddd) **“Service Area”** shall mean Service Area as defined in Section 3.2.

(eee) **“Service Plans”** shall mean the Service Plans, as amended or restated from time to time, for each CAB District, which were approved or will be approved by the appropriate jurisdiction and which include, initially, the following:

(i) The First Amended and Restated Service Plan for the Aerotropolis Area Coordinating Metropolitan District approved October 16, 2017;

(ii) The Consolidated First Amended and Restated Service Plan for The Aurora Highlands Metropolitan District Nos. 1 – 3 approved October 16, 2017; and

(iii) The Service Plan for ATEC Metropolitan District Nos. 1 and 2 approved August 6, 2018.

(fff) **“Specific Ownership Tax Revenues”** shall mean the specific ownership taxes remitted to the CAB Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of the CAB Districts’ imposition of their respective mill levies.

(ggg) **“State”** shall mean the State of Colorado.

(hhh) **“Supplemental Declaration”** shall have the same meaning given to such term in the TAH Master Declaration.

(iii) **“TAH Covenant Enforcement Rules and Regulations”** shall mean the Rules and Regulations for Covenant Enforcement adopted by the CAB and as may be amended from time to time, for the Property within the boundaries of AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2.

(jjj) **“TAH Covenant Enforcement Services”** shall mean the covenant enforcement and design review services to be exercised by the CAB, TAH Design Review Committee, TAH Covenant Enforcement Committee, or such designee of the CAB as may

enforce any portion of the TAH Master Declaration or the TAH Covenants on behalf of the CAB Districts.

(kkk) “**TAH Master Declaration**” shall mean that certain Master Declaration of Covenants, Conditions and Restrictions for The Aurora Highlands, effective January 31, 2020, recorded in the real property records of Adams County, Colorado on February 2, 2020, at reception number 2020000010483, as the same may be amended from time to time, together with any Supplemental Declaration thereto.

(lll) “**TAH Design Guidelines**” shall mean the Design Guidelines adopted pursuant to the TAH Master Declaration, as may be amended from time to time, that apply to the Property that is subject to the TAH Master Declaration.

(mmm) “**Terminating District**” shall mean any CAB District that opts to terminate the Covenant Enforcement Services of the CAB and enforce the terms and conditions of the applicable Declaration, Design Guidelines, and Covenant Enforcement Rules and Regulations within its own territory.

(nnn) “**Third-Persons**” shall mean any individual, corporation, joint venture, estate, limited liability company, trust, partnership, association, or other legal entity, including governmental entities other than the CAB Districts, the Developer, and the CAB.

(ooo) “**Transition Period**” shall mean the period of transition from Covenant Enforcement Services to enforcement of the applicable Declaration, Design Guidelines, and Covenant Enforcement Rules and Regulations by the Terminating District within its own territory as provided in Section 9.9 herein.

### **ARTICLE III : ESTABLISHMENT OF AUTHORITY**

3.1 Establishment of Authority. The Aurora Highlands Community Authority Board is organized as a separate legal entity to be a political subdivision and public corporation of the State of Colorado pursuant to the powers set forth in Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1-203 and 203.5, C.R.S.

3.2 Service Area. The Service Area of the CAB shall consist of the combined service areas of the CAB Districts, as the same may change from time to time.

3.3 Purpose. As further described in section 1.3, above, the primary purpose of the CAB is to effectuate the development of the Public Improvements, and provide certain services, for the benefit of the CAB Districts, the residents, taxpayers, and property owners, including the Developer. By the establishment of the CAB, the CAB Districts will be able to achieve efficiencies in coordinating the designing, planning, construction, acquisition, financing, operating, and maintaining of the Public Improvements. It is the intent that the CAB will provide for residents and property owners the opportunity to participate in the Development through representation on the CAB, ultimately transitioning from construction and development needs to operations and maintenance of all the Public Improvements when the Development is complete.



3.4 Governing. The CAB shall be governed and directed by the CAB, according to the following:

(a) Appointment of Board Members by CAB Districts. Contemporaneously herewith, and pursuant to Section 32-1-902.5, C.R.S., AACMD has filed a motion with the Adams County District Court requesting an increase in the number of members on the AACMD Board of Directors from five (5) to seven (7), however, AACMD may initially appoint up to five (5) Board Members to the CAB Board. AACMD shall not appoint more Board Members to the CAB Board than are qualified to serve on the AACMD Board of Directors. Each of District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2 may appoint one (1) Board Member to the CAB Board.

(i) Eligibility to Serve as a Board Member. To be eligible to be appointed as a Board Member the candidate must be currently serving on the CAB District Board that he or she is being appointed to represent.

(ii) Alternate Board Members. Each CAB District may appoint from among its Board of Directors one or more Alternate Board Members to serve as an Alternate Board Member in the event such CAB District's appointed Board Member is unable to attend a CAB meeting or is no longer qualified to serve.

(1) Each CAB District shall provide the CAB with written documentation evidencing the appointment of its appointed Board Member and any designated Alternate Board Members, and the order in which each Alternate Board Member is authorized to serve as Alternate Board Member in the event of absence of the appointed Board Member.

(iii) Vacancies. In the event of a vacancy on the CAB Board, whether by expiration of term, resignation, by virtue of the fact that the Board Member is no longer qualified to serve on the applicable CAB District's Board, or for any other reason, the applicable CAB District shall appoint a successor Board Member within thirty (30) days following such vacancy.

(iv) Contact Notice. Each CAB District shall provide the CAB with written notice of the appointment and the name and contact information for each Board Member and Alternate Board Members appointed.

(v) New Cab Districts. If at any time following the Effective Date, a special district is added as a new CAB District hereunder (each a "**New CAB District**"), such New CAB District may appoint one (1) Board Member to the CAB Board (each a "**New CAB Board Member**"), in accordance with the process described above. AACMD may appoint one additional Board Member to the CAB Board for each New CAB Board Member, provided that, regardless of the eligibility requirements detailed in Section 3.4(a)(i), above, at such time as the CAB Board is comprised of seven (7) AACMD-appointed Board Members, any additional AACMD-appointed Board member shall be an "eligible elector" of AACMD as such term is defined in Section 32-1-103, *et seq.*, C.R.S.

(b) Term. Each Board Member's term on the CAB Board shall be coincident with his or her term on the CAB District Board from which he or she has been appointed. In the event a Board Member appointed by AACMD under Section 3.4(a)(v) is an "eligible elector" of AACMD and not a member of the AACMD Board, the term of such Board Member shall expire at the next regular election of AACMD following appointment. There shall be no limit on the number of terms a Board Member may serve on the CAB Board.

(c) Compensation. Board Members may receive compensation from the CAB for their service as a Board Member in a manner similar to directors of special districts under the Act. The CAB Board shall adopt a resolution implementing this provision before any compensation is paid to any Board Member.

(d) Meetings.

(i) Regular meetings of the CAB Board shall be held at such place, on such date, and at such time as the CAB Board shall, by resolution or motion, establish from time to time, and in accordance with the requirements for special districts under the Act.

(ii) At least two (2) meetings of the CAB Board shall be held annually.

(iii) Special meetings of the CAB Board may be held at such place, on such day, and at such hour as the CAB Board may determine.

(iv) Notices of all meetings shall be the same as meetings for special districts under the Act, except for those matters requiring Expanded Notice as more fully set forth in this CABEA.

(v) Action of the CAB Board shall be taken at a duly noticed regular or special meeting; provided, however, that after the closing on the first sale of a residential unit by a homebuilder to an end user, the following items shall require approval of the CAB after provision of Expanded Notice and discussion at a minimum of two (2) public meetings prior to approval (approval may be at the second meeting, except for any bona-fide emergency action):

(1) Adoption of the Final Budget; and

(2) Issuance of Bonds.

3.5 Quorum. A Quorum is established by a majority of the Board Members being Present at a Board Meeting, which shall mean being either physically present at a Board Meeting or attending a Board Meeting via phone or by some other electronic device ("Present" or "Present at a Meeting"). If less than a majority of the Board Members then in office is Present at a Meeting, a majority of the Board Members Present shall constitute a quorum for the Meeting. If no Board Members are Present, the Secretary or other officer may continue the Meeting to a different time and place, and in such case the Secretary shall notify absent Board Members of the time and place of such continued Meeting.

(a) Voting Process.

(i) Each serving Board Member or Alternate Board Member (if applicable) shall have one (1) vote; provided however, if the same person is appointed by multiple CAB Districts to serve as Board Member or Alternate Board Member, that person shall only have one (1) vote as a Board Member.

(ii) Each serving Board Member shall vote according to the policy established by the CAB District that the Board Member is representing.

(iii) Voting by proxy is prohibited.

(iv) In the event a vacancy is not filled as described in herein, that Board Member's vote, which was caused by such vacancy, shall be waived on any matter coming before the CAB Board and the related voting requirement, if any, shall be reduced, until such time as the vacancy is filled.

(b) Payments in Lieu of Taxes. Notwithstanding any provision to the contrary contained in this CABEA, any matter involving the collection, retention, or use of PILOTs shall be voted on and decided only by Board Members appointed from AACMD, until such time as the AACMD and the CAB enter into a written agreement providing otherwise; provided, however, that any PILOT revenues pledged by the CAB Districts to the CAB pursuant to a pledge agreement or pledge agreements shall be collected by the CAB and applied as set forth under such pledge agreements to the repayment of the obligations secured under the pledge agreements.

(c) Conflict Disclosures. All Board Members shall disclose conflicts of interest as required of officers or board members of special districts in accordance with Colorado law, as the same may be amended from time to time.

(d) Oath. Each Board Member shall take an oath of office substantially as required of directors of special districts under the Act.

(e) Officers. The officers of the CAB shall be a President, Vice-President, Secretary, Treasurer, and Assistant Secretary (individually, an "**Officer**", and collectively, the "**Officers**"). In addition to the duties designated by the CAB Board, the duties of the Officers shall include:

(i) The President shall preside at all meetings of the CAB Board and, except as otherwise delegated by the CAB Board or provided in this CABEA, shall execute all legal instruments of the CAB.

(ii) The Vice-President shall, in the absence of the President, or in the event of the President's conflict or inability or refusal to act, perform the duties of the President and where so acting shall have all the powers of and be subject to all restrictions upon the President.

(iii) The Secretary shall maintain the official records of the CAB, including the minutes of meetings of the CAB Board, and a register of the names and addresses of the CAB Districts, Board Members, Alternate Board Members, and Officers, and shall issue notice of meetings, attest and affix the corporate seal, as applicable, to all documents of the CAB, and perform such other duties as the CAB Board may prescribe from time to time. The Secretary need not be a CAB Board Member.

(iv) The Treasurer shall serve as financial officer of the CAB.

3.6 Powers. In general, the CAB shall have the power to exercise all powers which are now or may in the future be conferred by law upon a political subdivision and public corporation organized pursuant to Sections 29-1-203 and 29-1-203.5, C.R.S., or which are essential to the provision of its functions, services, and facilities, subject to such limitations as are or may be prescribed by law or in this CABEA. In accordance with Subsection 29-1-203.5(2)(a), C.R.S., the CAB is expressly authorized to exercise any general power of a special district specified in Part 10 of Article 1, Title 32, C.R.S., so long as each of the CAB Districts may lawfully exercise the power; provided, however, that pursuant to Subsection 29-1-203.5(2)(b), C.R.S., the CAB may not levy a tax or exercise a power of eminent domain. The CAB is further authorized to exercise the powers established in Subsection 29-1-203.5(3), C.R.S. To the extent permitted by law and subject to the limitations set forth in this CABEA, the powers and duties of the CAB Board, which shall be exercised by approval of a majority of the present and voting Board Members, unless otherwise specified in this CABEA, include, without limitation, the following:

(a) To establish such Bylaws, rules, regulations, procedures, and policies as may be reasonably necessary for the administration of the CAB and to provide access to and use of the Public Improvements.

(b) To plan, design, acquire, construct, install, relocate and/or redevelop, and finance the Public Improvements according to the procedures set forth in this CABEA.

(c) To own, operate, and manage the Public Improvements as set forth in this CABEA, and to cooperate with other governmental entities with respect to the Public Improvements.

(d) To collect from the CAB Districts and administer revenues for all such purposes in this CABEA, subject to the terms of this CABEA and limitations of law.

(e) To determine the Actual Operations and Maintenance Costs and Final Budget for the Public Improvements and the mill levy required to be imposed by each CAB District.

(f) To determine the Actual Capital Costs and Final Budget for the Public Improvements, the mill levy required to be imposed by each CAB District, and the anticipated revenues generated from the CAB Districts pursuant to the pledge set forth below.

(g) To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of (subject to the limitations set forth in this CABEA) any legal or equitable interest in real or personal property utilized for the authorized purposes of the CAB.

(h) To conduct the business and affairs of the CAB in the best interests of, and for the benefit of, the CAB Districts and their inhabitants.

(i) To enter into, make, and perform contracts of every kind with the CAB Districts, including the agreements attached to this CABEA, the United States, any state or political subdivision thereof, or any county, city, town, municipality, city and county, any special district formed pursuant to Title 32, C.R.S., or any predecessor thereof, authority, or any person or individual, firm, association, partnership, corporation, or any other organization of any kind with the capacity to contract, for any of the purposes contemplated under this CABEA.

(j) To set Fees, rates, tolls, and charges.

(k) To employ agents and employees, and engage accountants, attorneys, managers, engineers, and other consultants, and to appoint officers of the CAB.

(l) To sue and be sued in the name of the CAB.

(m) To have and use a corporate seal.

(n) To report to the CAB Districts on the progress of plans for and development of the Public Improvements as set forth in the Long Term Capital Improvements Plan.

(o) To keep minutes of the CAB Board's meetings.

(p) To ensure compliance with all Colorado statutes that apply to the CAB, including the provisions of Parts 1 (Local Government Budget Law of Colorado), 5 (Local Government Uniform Accounting Law), and 6 (Local Government Audit Law) of Article 1, Title 29, C.R.S.

#### **ARTICLE IV : ADMINISTRATIVE SERVICES**

4.1 Administrative Services. The CAB or its designee shall perform the following administrative services for each CAB District (the “**Administrative Services**”):

(a) Serving as the “official custodian” and repository for the CAB Districts’ records and files, and providing incidental office supplies and photocopying, and meeting and reception services.

(b) Coordination of all Board meetings, to include:

(i) Preparation and distribution of agenda and information packets;

- (ii) Preparation and distribution of meeting minutes;
- (iii) Attendance at Board meetings;
- (iv) Preparation, filing, and posting of legal notices required in conjunction with the meeting; and
- (v) Other details incidental to meeting preparation and follow-up.
- (c) Ongoing maintenance of an accessible, secure, organized, and complete filing system for the CAB Districts' official records.
- (d) Monthly preparation of checks and coordination of postings.
- (e) Periodic coordination for financial report preparation and review of financial reports.
- (f) Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc., and confirming that all contractors and subcontractors maintain required coverage for the CAB's and the applicable CAB District's benefit.
- (g) Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges, and generally assisting in conducting elections.
- (h) Budget preparation, including preparation of proposed budgets, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications, and correspondence associated with the adoption of the annual budget and certification of the tax levies.
- (i) Response to inquiries, questions, and requests for information from the applicable CAB District's property owners, residents, and Third-Persons.
- (j) Drafting proposals, bidding, contract and construction administration, and supervision of contractors.
- (k) Analysis of financial condition and alternative financial strategies, and supervision of contractors.
- (l) Oversee investment of each CAB District's funds based on investment policies established by the CAB Districts' Boards in accordance with State and federal law.
- (m) Provide liaison services and coordination with other governments.
- (n) Coordinate activities and provide information as requested to external auditors engaged by the CAB Districts' Boards.

(o) Coordinate legal, accounting, engineering, financing, and other professional services for the CAB Districts.

(p) Perform other services with respect to the operation and management of each CAB District as requested by the applicable CAB District's Board.

In addition to these services, when other services are, in the professional opinion of the CAB, necessary, the CAB may, with the approval of a CAB District, provide professional services to such CAB District in lieu of retaining consultants or contractors to provide those services. Without limiting the foregoing provisions of this 4.1, each CAB District may elect, at its own cost, to retain its own legal counsel and/or accounting services (each, a “**Professional Service Provider**”). In addition to providing their respective legal and accounting services, such Professional Service Provider may also assist and/or advise such CAB District as it relates to the Administrative Services provided to such CAB District by the CAB. The CAB Districts do not intend for a CAB District to pay duplicative costs for such legal and/or accounting services. Therefore, reasonable costs incurred by a CAB District for legal and/or accounting services provided by a Professional Service Provider that are similar in scope and cost to, and not in excess of, such CAB District's share of legal and/or accounting services set forth in the Final Budget shall be deducted from amounts that would otherwise be payable to the CAB for legal and/or accounting services. If such CAB District engages a Professional Service Provider for legal and/or accounting services that are not similar in scope and cost to (or are in excess of) such CAB District's share of legal and/or accounting services set forth in the Final Budget, the costs for such Professional Service Provider(s) shall be borne solely by such CAB District.

## **ARTICLE V : FINANCING OF PUBLIC IMPROVEMENTS AND THE REGIONAL TRANSPORTATION SYSTEM**

5.1 Electoral Approval. Each of the CAB Districts has authorized, through the affirmative vote of the their respective voting electors, the issuance of debt, fiscal year spending, Multiple-Fiscal Year Financial Obligations, revenue collections, and other constitutional matters requiring voter approval for purposes of this CABEA, as well as the Construction of the Public Improvements, in accordance with law and pursuant to due notice.

5.2 Bond Issuance, Debt, or Multiple-Fiscal Year Financial Obligation Incurrence. Each CAB District shall use its best efforts to meet its funding obligations under this CABEA through the imposition of mill levies and the imposition and collection of Development Fees, for payment on the CAB's Bonds. With regard to the financing of the Actual Capital Costs of the Public Improvements as determined by the CAB and required for the phasing and build-out of the Development, the CAB Districts agree that the CAB shall issue Bonds. Other than the obligations of the CAB Districts under this CABEA, the AACMD/ARTA ARI Mill Levy IGA, the CAB Districts ARI Mill Levy IGAs, and the Pledge Agreements contemplated by this CABEA, the CAB Districts shall not issue any Bonds or contractually commit to any multiple fiscal year obligations. The CAB Districts acknowledge that from time to time, the Developer will advance funds to the CAB to ensure that the CAB has sufficient funds to meet the CAB's Actual Operation and Maintenance Costs. The CAB is authorized to enter into service, funding and reimbursement agreements with the Developer, on behalf of all the CAB Districts, for

repayment of such obligations in reliance on the CAB Districts' pledge of revenues to the CAB as set forth in this CABEA.

5.3 Financial Obligations. The CAB shall have the authority to issue Bonds, notes, or other financial obligations payable solely from: (a) revenue derived from one or more of the functions, services, systems, or facilities of the CAB; (b) from money received under contracts entered into by the CAB; or (c) from other available money of the CAB. The terms, conditions, and details of Bonds, notes, or other financial obligations including related procedures and refunding conditions, must be set forth in the resolution of the CAB authorizing the Bonds, notes, or other financial obligations (pursuant to which resolution the CAB may elect to apply the terms of the Title 11, Article 57, Part 2, C.R.S., as amended to such Bonds, notes or other financial obligations) and must, to the extent practical, be substantially the same as those provided in Part 4 of Article 35, Title 31, C.R.S., relating to water and sewer revenue bonds; except that the purposes for which the same may be issued are not limited to the financing of water or sewage facilities. Bonds, notes, or other financial obligations issued under this Section are not an indebtedness of the CAB or the cooperating or contracting parties within the meaning of any provision or limitation specified in the Colorado Constitution or statutes. Each Bond, note, or other financial obligation issued under this Section must recite in substance that it is payable solely from the revenues and other available funds of the CAB pledged for the payment thereof, and that it is not a debt of the CAB or the cooperating or contracting parties within the meaning of any provision or limitation specified in the Colorado Constitution or statutes. Notwithstanding anything in this Section to the contrary, Bonds, notes, and other obligations may be issued to mature at such times not beyond forty (40) years from their respective issue dates, shall bear interest at such rates, and shall be sold at, above, or below the principal amount thereof, at a public or private sale, all as determined by the CAB Board. Interest on any Bond, note, or other financial obligation issued under this Section is exempt from taxation except as otherwise may be provided by law. The resolution, trust indenture, or other security agreement under which Bonds, notes, or other financial obligations are issued is a contract with the holders thereof and may contain such provisions as the CAB Board determines to be appropriate and necessary in connection with the issuance thereof and to provide security for the payment thereof, including, without limitation, any mortgage or other security interest in revenue, money, rights, or property of the CAB. The provisions of this Section shall apply to any Bonds issued by the CAB.

(a) The proceeds of any Bonds, the interest on which is intended to be excludable from gross income of the bondholders thereof for federal income tax purposes, shall be used solely to finance items that will not adversely affect the exclusion of such interest from such gross income.

(b) The CAB Districts acknowledge that the CAB may enter into pledge agreements with one or more CAB Districts, pursuant to which such CAB District(s) will be obligated to impose *ad valorem* property taxes for the payment of obligations issued by the CAB to fund Actual Capital Costs of Public Improvements. Notwithstanding any other provision contained in this CABEA, for so long as there remains in effect between the CAB and any CAB District such a pledge agreement, the provisions of such pledge agreement shall supersede every financial obligation of such CAB District under this CABEA with respect to the funding of



Actual Costs of Public Improvements. Any provisions of this CABEA purporting to require such CAB District to impose *ad valorem* property taxes, collect Development Fees, or otherwise pay moneys to the CAB to fund Actual Capital Costs of Public Improvements shall be of no force and effect during the term of such pledge agreement by the terms of the pledge agreement, and the application of any moneys to be imposed, collected, or received by the CAB District under such pledge agreement for the purpose of funding Actual Capital Costs of Public Improvements shall be governed solely by the terms of such pledge agreement.

(c) The CAB Districts acknowledge that the CAB may enter into pledge agreements with one or more CAB Districts, pursuant to which such CAB District(s) will be obligated to impose *ad valorem* property taxes for the payment of the cost of Operations and Maintenance Services and to fund obligations issued by the CAB to reimburse Developer advances to fund the cost of Operations and Maintenance Services. Notwithstanding any other provision contained in this CABEA, for so long as there remains in effect between the CAB and any CAB District such a pledge agreement, the provisions of such pledge agreement shall supersede every financial obligation of such CAB District under this CABEA with respect to the funding of Operations and Maintenance Services and the repayment of Developer advances to fund the cost of Operations and Maintenance Services. Any provisions of this CABEA purporting to require such CAB District to impose *ad valorem* property taxes, collect Fees, or otherwise pay moneys to the CAB to fund Operations and Maintenance Services shall be of no force and effect during the term of such pledge agreement by the terms of the pledge agreement, and the application of any moneys to be imposed, collected, or received by the CAB District under such pledge agreement for the purpose of funding the cost of Operations and Maintenance Service shall be governed solely by the terms of such pledge agreement.

#### 5.4 Funding Account.

(a) Prior to or upon the execution of this CABEA, the CAB will establish the Funding Account.

(b) All revenue received by the CAB Districts (exclusive of any revenue received from the imposition of an ARI Mill Levy imposed pursuant to the AACMD/ARTA ARI Mill Levy IGA or the CAB Districts ARI Mill Levy IGAs) will be transferred on a monthly basis to the CAB for deposit in the Funding Account and application in accordance with the Final Budget for the Budget Year. Notwithstanding the foregoing, if any Bond document or any pledge agreement with respect to any outstanding obligations of any CAB District requires revenue to be deposited directly with a bond trustee or other Third-Person, the applicable CAB District(s) shall be entitled to make such payments, and the failure to deposit such funds into the Funding Account shall not be considered a default under this CABEA. The CAB District(s) making such deposits shall provide the remaining CAB Districts with appropriate supporting documentation evidencing that such deposits are being made in a timely manner.

(c) The CAB shall, pursuant to each CAB District's respective Final Budget, deposit the required portion of revenues from Development Fees, revenue Bond proceeds, and any other revenues received from other sources, including Developer Capital Advances, into the Funding Account.

(d) Each CAB District acknowledges that the CAB may borrow funds for deposit into the Funding Account in reliance on each CAB District's covenants to comply with the requirements of this CABEA.

5.5 Disbursement of Funds. The CAB shall have the sole authority to withdraw moneys from the Funding Account for use in the payment of Actual Capital Costs and Actual Operations and Maintenance Costs as specified by the Final Budget for the CAB. Such funds, together with any interest thereon, shall be used only to pay Actual Capital Costs and Actual Operations and Maintenance Costs incurred by the CAB. The CAB shall provide each CAB District with an annual audit reflecting funds withdrawn and payments made from the Funding Account.

5.6 Interest on Bonds. With respect to the CAB Bonds, the CAB Districts covenants they will not take any action or omit to take any action, if such action or omission would cause the interest on such Bonds to lose any of the following applicable exclusion(s):

(a) exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "**Tax Code**");

(b) exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income; or

(c) exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present State law.

Without limiting the generality of the foregoing, the CAB shall maintain such records regarding the investment of the proceeds of any Bonds that are issued by either the CAB to fulfill any rebate obligations pursuant to Section 148 of the Tax Code. The foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Bonds, until the date on which all obligations of the CAB in fulfilling the above covenant under the Tax Code and State law have been met.

5.7 Pledge of Payment. The CAB Districts acknowledge that the CAB will determine the Actual Capital Costs and the Actual Operations and Maintenance Costs and will determine the mill levy that, if imposed by all CAB Districts and together with projected Fee revenue, would be sufficient to pay such Actual Capital Costs and Actual Operations and Maintenance Costs. The CAB Districts further agree to impose such mill levies as are determined by the CAB to be sufficient, together with projected Fee revenue, to pay Actual Capital Costs and Actual Operations and Maintenance Costs. The financial obligations of the CAB Districts to remit CAB District revenues to the CAB to fund the Actual Capital Costs and Actual Operations and Maintenance Costs under this CABEA shall be Multiple-Fiscal Year Financial Obligations of each CAB District, payable from ad valorem property taxes generated as a result of the certification by each CAB District of a debt service and operations mill levy and any revenue derived from Development Fees or other Fees, rates, tolls, or other charges of the CAB Districts. The full faith and credit of each CAB District, as limited by this CABEA, is hereby pledged to

the punctual payment of the amounts to be paid under this CABEA. Such amounts shall, to the extent necessary, be paid out of the general revenues of each CAB District or out of any funds available for that purpose.

For the purpose of raising such general revenues, and for the purpose of providing the necessary funds to make payments under this CABEA as the same become due, the Board of each CAB District shall annually determine, fix, and certify a rate of levy for *ad valorem* property taxes to the County, which when levied on all of the taxable property of such CAB District, shall raise direct *ad valorem* property tax revenues which, when added to other funds of the CAB District legally available therefor, will be sufficient to promptly and fully pay the amounts to be paid under this CABEA, as well as all other Multiple-Fiscal Year Financial Obligations or general obligation indebtedness of such CAB District, as the same become due. Except as limited in this CABEA, each CAB District covenants to levy such mills which are from time to time lawful, and as necessary, together with other moneys of the CAB District, to pay the amounts to be paid under this CABEA, along with all other general obligation indebtedness or Multiple-Fiscal Year Financial Obligations of the CAB District.

Notwithstanding anything to the contrary set forth in this CABEA, no CAB District shall be obligated to impose a mill levy in excess of what is allowable under its Service Plan.

5.8 Effectuation of Pledge; Appropriation; Regulatory Amendment. Except as limited by this CABEA, the amounts to be paid under this CABEA are hereby appropriated for that purpose, and such amounts shall be included in the annual budgets and the appropriation resolutions or measures to be adopted or passed by the board of directors of each CAB District in each year this CABEA remains in effect. The CAB shall direct the mill levy to be imposed each year by the CAB Districts. No provisions of any constitution, statute, resolution, or other measure enacted after the execution of this CABEA shall in any manner be construed as limiting or impairing the obligations of a CAB District to levy, administer, enforce, and collect the *ad valorem* property taxes and other revenues required for the payment of its obligations under this CABEA.

It shall be the duty of the Board of each CAB District annually, at the time and in the manner provided by law for the levying of such CAB District's taxes, to ratify and carry out the provisions of this CABEA regarding the levy and collection of the *ad valorem* property taxes specified under this CABEA, and to require the officers of the CAB District to cause the appropriate officials of the County, to levy, extend, and collect such taxes in the manner provided by law.

5.9 CAB Reliance; Funding Obligations Pending Dispute Resolution. Each CAB District agrees that its funding obligations under this CABEA are absolute, irrevocable, unconditional, and irrepealable within the meaning of Article XI, Section 6 of the Colorado Constitution pertaining to local government debt. The CAB Districts agree that their authority to modify this CABEA is limited so as to prohibit a repeal of the obligations set forth in this CABEA. The CAB Districts each agree, notwithstanding any fact, circumstance, dispute, or any other matter, that it will not take or fail to take any action which would delay a payment to the CAB or impair the CAB's ability to receive payment due under this CABEA. Each CAB District acknowledges that the CAB may issue revenue Bonds and the CAB may obtain financial

commitments and security for its Bonds from Third-Persons, all of whom shall be relying on performance of the payment obligations of the CAB Districts under this CABEA. The purpose of this Section is to ensure that the CAB receives all payment due under this CABEA in a timely manner so that the CAB may pay Actual Capital Costs and Actual Operations and Maintenance Costs. Notwithstanding that the bondholders are not in any manner third party beneficiaries of this CABEA, and do not have any rights in or rights to enforce or consent to amendment of this CABEA, each CAB District agrees that during the pendency of any litigation which may arise under this CABEA, all payments shall be made by such CAB District for the purpose of enabling the CAB to make payments on its Bonds. If a CAB District believes it has valid defenses, setoffs, counterclaims, or other claims, it shall make all payments to the CAB as described in this CABEA and seek to recover such payments by actions at law or in equity for damages or specific performance.

5.10 Parameters for Bond Issuance. Unless otherwise previously approved in writing by the City, all Bonds issued by any of the CAB Districts and/or the CAB shall be subject to the applicable provisions of the CAB Districts' Service Plans.

## **ARTICLE VI : CONSTRUCTION OF PUBLIC IMPROVEMENTS**

### **6.1 Construction and Acquisition of Public Improvements.**

(a) The CAB shall have the right and power to construct and acquire all Public Improvements set forth in the Long Term Capital Improvements Plan pursuant to a process and procedure set forth in the Bylaws, if any, and as provided in this CABEA.

(b) The CAB Districts acknowledge that the CAB may engage AACMD to provide services to the CAB in relation to the planning, design and construction of the Public Improvements from time to time, including but not limited to, the provision of project management services, and the terms and conditions of the provision of such services shall be as set forth in the agreements as approved and executed by the CAB and AACMD.

(c) The CAB Districts acknowledge that AACMD is a party to the ARTA Establishment Agreement and the AACMD/ARTA ARI Mill Levy IGA, and that the CAB Districts shall have responsibilities under the CAB Districts ARI Mill Levy IGAs.

(d) The CAB Districts agree that until a separate written agreement is entered into between the CAB and AACMD, the CAB shall have no responsibility for the matters that are the subject of the AACMD/ARTA ARI Mill Levy IGA and the CAB Districts ARI Mill Levy IGAs.

(i) The CAB Districts acknowledge the CAB and AACMD are under current discussions regarding an agreement pursuant to which the CAB shall be responsible for the operations and maintenance of certain parts of the Regional Transportation System, prior to acceptance by the appropriate jurisdiction for ownership and maintenance.

6.2 Diligence. If required by the Act or any agreement between the CAB and/or the CAB Districts and another governmental entity having jurisdiction, a contract for construction of approved Public Improvements shall be publicly bid and fully approved at a public meeting.

6.3 Public Improvements Process. Prior to the approval of a construction contract for approved Public Improvements:

(a) The CAB shall determine the operations and maintenance and repair and replacement costs associated with such Public Improvements for purposes of the impact on the operations and maintenance budget in the current and future years. The CAB Board shall schedule, phase, and configure the Public Improvements to adequately and economically provide for the needs of the CAB Districts' residents and property owners, and as development demands require.

(b) The CAB shall obtain all necessary governmental approvals, and exercise reasonable efforts to comply with Colorado and other applicable rules, laws, regulations, and orders.

(c) The CAB shall cause Construction of the Public Improvements to be commenced on a timely basis, subject to receipt of all necessary governmental approvals and the terms of this CABEA.

(d) The CAB shall make available during normal business hours to the CAB Districts copies of any and all Construction contracts and related documents concerning the Public Improvements, and shall deliver copies of such documents to any CAB District upon receipt of a written request. The CAB shall diligently and continuously prosecute to completion the Construction of the Public Improvements.

(e) The CAB Board shall have the authority to approve non-material changes or modifications to construction contracts, in accordance with any adopted CAB Board resolution, between CAB Board meetings and as necessary to diligently pursue Construction activities; provided, however, that any such change order shall be ratified at the next Board Meeting.

(f) In case of emergencies, the CAB Board may approve contracts which shall be ratified at the next CAB Board meeting, so long as it facilitates Construction of the Public Improvements within the Final Budget.

6.4 Governmental Requirements. The facility and service standards of the CAB shall be compatible with those of the City and such other governmental entities as may be applicable.

## **ARTICLE VII : OWNERSHIP AND DEDICATION OF PUBLIC IMPROVEMENTS; OPERATIONS AND MAINTENANCE SERVICES**

7.1 Ownership of Public Improvements. The CAB shall own, operate, and maintain all Public Improvements unless and until any of such Public Improvements are dedicated to the City or another appropriate governmental entity for perpetual ownership and maintenance. The

CAB Districts hereby transfer and assign to the CAB all interests in real estate contracts, and the CAB Districts agree to execute all deeds and other documents necessary to evidence this transfer and conveyance.

7.2 Transfer of Public Improvements. Except as may be required by law, the City, or any other jurisdiction that will be accepting the completed improvement for ownership, operations or maintenance, or under the Service Plans, the CAB shall not transfer Public Improvements to another entity without the express written consent of the CAB Districts' Boards.

7.3 Ownership of the Regional Transportation System. The CAB Districts acknowledge that AACMD may own, operate, or maintain certain of the Regional Transportation System during the applicable warranty period and before final transfer to the appropriate governing jurisdiction pursuant to one or more separate agreements between the CAB and AACMD.

(a) Following the applicable warranty period and pursuant to one or more separate agreements between the CAB and AACMD, the CAB shall assume ownership, operate, and maintain any Regional Transportation System improvement(s) constructed by AACMD and not transferred to a separate governing jurisdiction.

(b) The CAB shall not accept any Regional Transportation System improvement that is not constructed in accordance with applicable laws, rules, and regulations.

7.4 Operations and Maintenance Services. Within the constraints of the Final Budget and appropriations for such purposes, the CAB Board shall supervise and cause to be performed all Operation and Maintenance Services, regardless of location, including, but not limited to, the following:

(a) Draft proposals, bidding (if required by laws applying to special districts), contracts, and provide contract administration and supervision of service providers;

(b) Supervise and ensure contract compliance by all service providers, including the establishment and maintenance of preventive maintenance programs;

(c) Procure all inventory, parts, tools, equipment, and other supplies necessary to perform the services required;

(d) Retain service providers and professional services, to perform duties, including, but not limited to, the following:

(i) Operations and maintenance, including mosquito, weed, and animal control;

(ii) Cooperation with City, County, State, and federal authorities in providing such tests as are necessary to maintain compliance with appropriate governmental standards;

(iii) Permitting and supervision of the connection of utility lines to private developments;

(iv) Coordinate Construction with various utility companies to ensure minimum interference with CAB maintenance responsibilities and assets owned;

(v) Perform routine maintenance and repairs necessary to continue the efficient operation of assets;

(vi) Provide for the services of subcontractors necessary to maintain and continue the efficient operation of assets; and

(vii) Provide for emergency preparedness, consisting of a centralized telephone number maintained to provide adequate response to emergencies.

7.5 CAB Manager. The CAB may hire or engage a CAB Manager to assist in the implementation of the Operations and Maintenance Services.

(a) The Actual Operations and Maintenance Costs shall be determined during the budget process.

(b) The CAB shall make available to the CAB Districts copies of all service contracts.

(c) Any agreement governing a CAB Manager's contractual relationship with respect to Bond financed Public Improvements shall comply with all applicable federal income tax requirements if interest on the Bonds is intended to be excluded from gross income of the bondholders for federal income tax purposes.

## **ARTICLE VIII : BUDGET PROCESS**

8.1 Adoption. The CAB shall establish in the CAB's Bylaws an annual budget process. At a minimum, the CAB budget process shall require the CAB to furnish to each CAB District the following:

(a) An accounting of any estimated carryover balances from prior years; and

(b) A proposed schedule for deposits based on the expected timing for receipt of funds generated from (i) the CAB Districts' *ad valorem* property taxes and specific ownership taxes; (ii) Developer Capital Advance(s) and Developer Operating Advances to the CAB or CAB Districts; and/or (iii) other rates, Fees, tolls, and other charges that may be imposed by the CAB or any of the CAB Districts from time to time in accordance with State law.

8.2 Annual Appropriation. On or before December 10th of each year throughout the term of this CABEA, each of the CAB Districts and the CAB agree to budget and appropriate funds for ensuing year in the amount sufficient to pay for the costs and expenses necessary to undertake the services.

8.3 Final Budget. The Final Budget may be amended from time to time in accordance with State law, to reflect changes in actual revenues and/or expenses, utilizing the same process and requirements set forth in this Article, except that the CAB may establish alternative reasonable time periods for preparation, review, and approval of proposed budget amendments. Any Final Budget processed and approved in accordance with this Section shall be known as an “**Amended Final Budget**”.

In the event that funding provided by any CAB District to the CAB exceeds the amount owed by that CAB District according to the Amended Final Budget, the balance may be carried over and credited against the anticipated funding obligation of such CAB District for the following year as identified by the Preliminary Budget Documents.

## **ARTICLE IX : COVENANT ENFORCEMENT AND ARCHITECTURAL REVIEW**

9.1 TAH Master Declaration Delegation to CAB. During the term of this CABEA, AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2 assign to the CAB all duties, rights, and obligations delegated to AACMD, District No. 1, District No. 2, District No. 3, ATEC No.1, and ATEC No. 2 by the TAH Master Declaration, the TAH Design Guidelines, and the TAH Covenant Enforcement Rules and Regulations, all as may be amended, with respect to the TAH Covenant Enforcement Services, together with the TAH Covenants, as may be recorded in the future. Specifically, with respect to each document, the CAB is authorized as follows:

(a) TAH Master Declaration. On behalf of AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2, the CAB shall be charged with enforcing the TAH Design Guidelines and additional or supplemental design guidelines (including with respect to specific portions of the Service Area) as authorized by the TAH Master Declaration or the TAH Covenants. AACMD, District No. 1, District No. 2, District No. 3, ATEC No. 1, and ATEC No. 2, further authorize the CAB to enforce any and all use restrictions as set forth in the TAH Master Declaration or TAH Covenants on behalf of AACMD, District No. 1, District No. 2, District No. 3, ATEC No.1, and ATEC No. 2, without regard to which of such CAB Districts the property subject to the action is included.

(b) TAH Design Review Committee. The CAB Districts acknowledge that general administration of the TAH Design Guidelines is assigned by the TAH Master Declaration to the TAH Design Review Committee, (also known as the “Community-Wide Architectural Review Committee”) as such committee is more particularly defined and described in the TAH Master Declaration and Covenant Enforcement Rules and Regulations (the “**TAH Design Review Committee**”). The CAB shall appoint not less than five (5) members to the TAH Design Review Committee, three (3) of whom having experience in architecture, engineering, land planning, landscape architecture, real estate development, contracting, building, code enforcement, or a related field that the CAB Board deems relevant and appropriate.

(c) TAH Enforcement Committee. The CAB Districts acknowledge that general administration of the covenants, rules, and regulations set forth in the TAH Master Declaration is assigned by the TAH Master Declaration to the Enforcement Committee (“**TAH**



**Enforcement Committee”**), as such committee is more particularly described in the TAH Master Declaration and Covenant Enforcement Rules and Regulations. The CAB shall appoint the members of the TAH Enforcement Committee in accordance with the TAH Master Declaration and Covenant Enforcement Rules and Regulations.

(d) Imposition of Fees and Fines Related to TAH Master Declaration and TAH Covenants. The CAB Board may adopt and impose appropriate Fees and Fines related to the activities of the TAH Design Review Committee and the TAH Enforcement Committee, and to otherwise implement the provisions of the TAH Master Declaration, the TAH Covenants, and this CABEA.

(e) Independent Contractors. The CAB Districts agree and acknowledge that at any time during the term of this CABEA the CAB may engage one or more independent contractors to carry out and enforce all or a portion of the provisions of the TAH Master Declaration, TAH Design Guidelines, TAH Covenant Enforcement Rules and Regulations, and any supplemental documents and agreements related to the provision of the TAH Covenant Enforcement Services. The contractual relationship with any such independent contractor shall be managed solely by the CAB.

9.2 Covenant Enforcement Area and Revenue. During the term of this CABEA, the CAB is authorized to undertake the applicable Covenant Enforcement Services within the boundaries of the CAB Districts to the extent that the real property within such boundaries is subject to the Declaration, the TAH Design Guidelines, and/or the TAH Covenant Enforcement Rules and Regulations; provided, however, that any and all revenues used to furnish the Covenant Enforcement Services in accordance with TAH Master Declaration, the TAH Design Guidelines, and the TAH Covenant Enforcement Rules and Regulations must be derived from within the boundaries of the CAB District in which the Covenant Enforcement Services are furnished. By way of illustration, revenue furnished for the administration of the TAH Master Declaration, the TAH Design Guidelines, and the TAH Covenant Enforcement Rules and Regulations within the boundaries of District No. 1 shall be derived from within the boundaries of District No. 1 or from within a smaller sub-portion of such area to the extent such sub-area is the sole recipient of the TAH Covenant Enforcement Services provided.

9.3 Records and Reports. Throughout the term of Covenant Enforcement Services by the CAB, the CAB shall maintain and preserve books, documents, papers, and records of any independent contractors or service providers providing services on behalf of the CAB, which are directly pertinent to the Covenant Enforcement Services (subject in all events to the then-current document retention policies of the CAB), and the CAB shall make available the same to the CAB Districts and any of their authorized representatives upon request at all reasonable times for the purpose of making audits and examinations.

9.4 Costs. Costs incurred by the CAB in the provision of Covenant Enforcement Services shall be considered Actual Operations and Maintenance Costs for purposes of this CABEA.

9.5 Appellate Body. The CAB Districts acknowledge that the CAB Board may create an appellate board to review the decisions of the TAH Design Review Committee and the TAH

Enforcement Committee. Any appellate board may consist of a subset of the CAB Board members or all CAB Board members.

9.6 Other Committees. The CAB Board may organize and provide for the administration of such other boards, committees, and subcommittees as it deems reasonable and appropriate.

9.7 Termination of Covenant Enforcement Services and Transition of Responsibilities.

(a) Any CAB District may elect to terminate the CAB's Covenant Enforcement Services within its borders with or without cause; provided, however, that in such event the terminating CAB District shall be required to administer and enforce the TAH Master Declaration, the TAH Design Guidelines, and the TAH Covenant Enforcement Rules and Regulations within its own boundaries. In such case, the written resolution of the board of directors of the Terminating District shall establish a Transition Period of ninety (90) to one hundred twenty (120) days to unwind the mutual covenants of this CABEA related to the Covenant Enforcement Services. During such transition period, the Terminating District agrees to work cooperatively with the CAB and the other CAB Districts to develop and execute transition procedures that minimize impact to the CAB Districts' property owners.

(b) To the extent it is possible to assess whether excess funds of the Terminating District will remain under the CAB's control following the termination of Covenant Enforcement Services by the CAB, the CAB shall transmit any funding overage to the Terminating District during the Transition Period. In the event that the end balance for the Terminating District's funding of the Covenant Enforcement Services cannot be determined during the Transition Period, the CAB shall transmit any excess funds of the Terminating District remaining on the CAB's books to the Terminating District no later than January 31<sup>st</sup> of the year following the year in which Covenant Enforcement Services are terminated.

(c) During the Transition Period, the CAB shall transmit any and all books, documents, papers, and records related to Covenant Enforcement Services provided for the benefit of the Terminating District to such CAB District. The CAB shall also retain copies of such books, documents, papers, and records. The provisions of this subsection (c) are subject, in all events, to the then-current document retention policies of the CAB.

(d) Upon termination of the CAB's Covenant Enforcement Services, any Terminating District shall administer and enforce the applicable Declaration, Design Guidelines, and Covenant Enforcement Rules and Regulations within its own boundaries, and any and all revenues used to furnish such services shall continue to be derived from within the boundaries of the CAB District in which the services are furnished.

## **ARTICLE X : SPECIAL PROVISIONS**

10.1 Rights of the CAB. Subject to the limitations of this CABEA, the CAB Districts grant the CAB the right to construct, own, use, connect, disconnect, modify, renew, extend, enlarge, replace, convey, abandon, or otherwise dispose of any and all real property, Public

Improvements or appurtenances thereto, and any and all other interests in real or personal property or otherwise, within the ownership, possession or control of the CAB Districts to enable the CAB to provide the Public Improvements and Operations and Maintenance Services. The CAB Districts grant to the CAB the right to occupy any place, public or private, which the CAB Districts might occupy, for the purpose of fulfilling the obligations of the CAB under this CABEA. To implement the foregoing, the CAB Districts agree to exercise such authority, to do such acts, and to grant such easements or licenses as may be reasonably requested by the CAB; provided that, any legal, engineering, technical, or other services required, or costs incurred, for the performance of this obligation shall be performed by a Person in the employment of or under contract with, and paid by, the CAB.

10.2 Right to Provide Public Improvements and Services. The CAB Districts agree that they shall not without the prior written consent of the CAB:

(a) Provide Public Improvements of any kind to their residents and property owners, except for financing or construction and dedication of the Public Improvements as set forth herein; or

(b) Provide Operations and Maintenance Services to its residents and property owners except as set forth herein.

10.3 Consolidation of CAB Districts. The CAB Districts may initiate consolidation proceedings in accordance with the Act and Service Plans at such time as the Development is at build-out and the CAB owns and maintains all the Public Improvements not otherwise required to be dedicated to another governmental entity. The CAB Districts shall not file a request with any court to consolidate among themselves or with any other Title 32 districts without the prior written consent of the City. No such consolidation proceedings shall be initiated if less than all of the Boards of the CAB Districts adopt a joint resolution agreeing to such consolidation.

10.4 Dissolution of CAB. In accordance with Section 29-1-203.5(4), C.R.S., upon dissolution of the CAB, all the CAB's property shall be transferred to, or at the direction of, one or more of the CAB Districts.

## **ARTICLE XI : REPRESENTATIONS AND WARRANTIES**

11.1 General Representations. In addition to the other representations, warranties, and covenants made by the CAB Districts in this CABEA, the CAB Districts make the following representations, warranties, and covenants to each other:

(a) Each CAB District has the full right, power, and authority to enter into, perform, and observe this CABEA.

(b) Neither the execution of this CABEA, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this CABEA by the CAB Districts will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under any agreement, instrument, indenture, judgement, order, or decree to which a CAB District is a party or by which a CAB District is bound.

(c) This CABEA is the valid and binding obligation of each of the CAB Districts and is enforceable in accordance with its terms.

(d) The CAB Districts shall keep and perform all the covenants and agreements contained in this CABEA and shall take no action which could render this CABEA unenforceable in any manner.

## **ARTICLE XII : DEFAULTS, REMEDIES, AND ENFORCEMENT**

12.1 Events of Default. The occurrence of any one or more of the following events and/or the existence of any one or more of the following conditions shall be considered an Event of Default under this CABEA:

(a) The failure of any CAB District to make any payment when the same shall become due and payable as provided in this CABEA and cure such failure within ten (10) business days of receipt of notice from one of the other CAB Districts or the CAB of such failure;

(b) The failure to perform or observe any other covenants, agreements, or conditions in this CABEA on the part of any CAB District and to cure such failure within thirty (30) days of receipt of notice from one of the other CAB Districts or the CAB of such failure, unless such default cannot be cured within such thirty- (30)-day period, in which case the defaulting party shall have an extended period of time to complete the cure, provide that action to cure such default is commenced within said thirty- (30)-day period and the defaulting party is diligently pursuing the cure to completion.

12.2 Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the CAB Districts and the CAB shall, individually and collectively, have the following rights and remedies:

(a) The non-defaulting CAB District(s) or the CAB may ask a court of competent jurisdiction to enter a writ of mandamus to compel the board of directors of the defaulting CAB District to perform its duties under this CABEA, and/or to issue temporary and/or permanent restraining orders, or orders of specific performance, to compel the defaulting CAB District to perform in accordance with this CABEA.

(b) The non-defaulting CAB District(s) or the CAB, or both, may protect and enforce its rights under this CABEA by such suits, actions, or special proceedings as it shall deem appropriate, including, without limitation, any proceedings for the specific performance of any covenant or agreement contained in this CABEA, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages, including attorneys' fees and all other costs and expenses incurred in enforcement this CABEA.

(c) The non-defaulting CAB District(s) shall have the right to impose a mill levy, budget, and expend funds as necessary to enforce the terms of this CABEA.

(d) To foreclose any and all liens in the manner specified by law.

Notwithstanding anything to the contrary contained in this CABEA, prior to the time the CAB requires a CAB District to impose a mill levy for their obligations under this CABEA, any CAB District may file for inactive status and filing for such inactive status shall not constitute an Event of Default.

### 12.3 General.

(a) Delay or Omission No Waiver. No delay or omission of any CAB District or the CAB to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or be construed as a waiver of any such Event of Default.

(b) No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default by any CAB District or the CAB shall extend to or affect any subsequent or other Event of Default. All rights and remedies of the CAB Districts and the CAB provided in this CABEA may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently, or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

## **ARTICLE XIII : INSURANCE**

13.1 CAB Insurance. During the term of this CABEA, the CAB shall maintain appropriate insurance limits and overage related to the provision of the services described in this CABEA and in other agreements of the CAB.

13.2 CAB District Insurance. The CAB Districts shall, to the extent each is active and the same are reasonably and commercially available and funds are available therefor, maintain the following insurance coverages, with companies and in amounts acceptable to each CAB District's respective board of directors:

(a) General liability coverage protecting the CAB Districts and their officers, directors, and employees against any loss, liability, or expense whatsoever from bodily injury, death, property damage, or otherwise, arising from or in any way connected with management, administration, or operations.

(b) Directors' and officers' liability coverage (errors and omissions) protecting the CAB Districts and their directors and officers against any loss, liability, or expense whatsoever arising from the actions and/or inactions of the CAB Districts and their directors and officers in the performance of their duties.

13.3 Workers' Compensation. To the extent they retain employees, the CAB Districts and the CAB shall make provisions for workers' compensation insurance, social security employment insurance, and unemployment compensations for employees, if any, as required by applicable State or federal law.

13.4 Certificates. Upon written request, each CAB District and the CAB shall furnish to the others, certificates of insurance showing compliance with the foregoing requirements.

Said certificates shall state that the policy or policies evidenced thereby will not be cancelled or altered without at least thirty (30) days prior written notice to each CAB District and the CAB.

#### **ARTICLE XIV : EMPLOYMENT OF ILLEGAL ALIENS**

14.1 Addendum regarding Employment of Illegal Aliens. By its execution, the CAB Districts and the CAB confirm that they each shall comply with the applicable provisions of Section 8-17.5–101 *et. seq.*, C.R.S., and that every public contract for services to which the CAB or a CAB District is a party shall include the certificates, statements, representations, and warranties substantially in the form set forth in **Addendum 1**, Public Contract for Services Addendum, attached to and made a part of this CABEA by this reference.

#### **ARTICLE XV : MISCELLANEOUS**

15.1 Relationship of Parties. This CABEA does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employees between or among the CAB Districts.

15.2 Third-Party Beneficiaries. The CAB Districts agree that (i) unless and until the processes set forth in Sections 10.3 and 10.4 of this CABEA have been completed, and (ii) all Developer Advances have been repaid, the Developer is a third-party beneficiary to this CABEA, and the Developer agrees to and acknowledges such as evidenced by signature below. Other than the Developer, it is intended that there be no third-party beneficiaries of this CABEA, including, without limitation, the owners of any Bonds, notes, contracts, or other obligations incurred or executed by either the CAB Districts or the CAB. Nothing contained in this CABEA, expressed or implied, is intended to give any person other than the CAB Districts, the Developer, and the CAB any claim, remedy, or right under or pursuant to this CABEA, and any agreement, condition, covenant, or term contained in this CABEA required to be observed or performed by or on behalf of any party to this CABEA shall be for the sole and exclusive benefit of the other parties.

15.3 Assignment; Delegation. Except as set forth herein or as contemplated in the Service Plans, neither this CABEA, nor any of the CAB Districts' rights, obligations, duties, or authority under this CABEA may be assigned or delegated, in whole or in part, by any CAB District without the prior written consent of all the other CAB Districts, which consent shall not be unreasonably withheld. Any attempted assignment or delegation in violation of the foregoing shall be deemed void. Consent to one assignment or delegation shall not be deemed to be consent to any subsequent assignment or delegation, nor the waiver of any right to consent to such subsequent assignment or delegation.

15.4 Modification. This CABEA may be modified or amended only by the written agreement of the CAB Districts.

15.5 Governing Law. This CABEA shall be construed and interpreted in accordance with the laws of the State of Colorado. Venue for all actions shall be exclusive in Adams County, Colorado.

15.6 Heading for Convenience Only. The headings, captions, and titles contained in this CABEA are intended for convenience of reference only.

15.7 Counterparts. This CABEA may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document. Photocopies, facsimile copies, and .pdf copies of original signatures shall be treated as originals for all purposes under this CABEA.

15.8 Time is of the Essence. Time is of the essence in this CABEA.

15.9 Notices. Unless otherwise provided below, all notices, demands, requests or other communications to be sent by one party to the other under this CABEA or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronic mail transmission (read-review acknowledged), or by depositing the same in the United States Mail, postage prepaid, addressed as set forth on the attached **Addendum 2**, Notice Addendum.

All notices, demands, requests, or other communications shall be effective: upon such personal delivery or upon electronic mail, read-review acknowledged; one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service; or three (3) business days after deposit in the United States mail. By giving the other parties to this CABEA at least ten (10) days' written notice thereof in accordance with the provisions of this CABEA, each of the parties shall have the right to change its individual notice address from time to time, all notice addresses to be maintained by the CAB.

15.10 District Records. The CAB shall maintain the public records for all the CAB Districts. Access to such records by the CAB Districts and the public shall be as set forth in the Rules and Regulations and in accordance with State law.

15.11 Further Assurances. The CAB Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and documents as may be reasonably required for the performance of their obligations under this CABEA.

15.12 Severability of Provisions. Any provision of this CABEA which is prohibited, unenforceable, or not authorized as determined by a court of competent jurisdiction, shall not affect the remaining provisions of this CABEA or affect the validity, enforceability, or legality of such provisions in any other jurisdiction. Furthermore, in lieu of such prohibited, unenforceable, or non-authorized provision there shall be added automatically as a part of this CABEA, a provision as similar in terms to such prohibited, unenforceable, or non-authorized provision as may be possible and be legal, valid, and enforceable.

15.13 Cooperation Between the CAB Districts. Subject to the terms of the Service Plans, the CAB Districts will cooperate with one another and any other districts organized within the Development to finance the Actual Operations and Maintenance Costs and Actual Capital Costs. The CAB Districts acknowledge that the boundaries of the CAB Districts may change in

the future and that each CAB District shall support the exclusion/inclusion of the subject property from and into the respective CAB District.

15.14 Entire Agreement. This CABEA and all attached addenda and exhibits set forth the entire understanding and agreement of the CAB Districts and supersede and replace all prior agreements, memoranda, arrangements, and understandings relating to the subject matter of this CABEA (including, without limitation, that certain The Aurora Highlands Community Authority Board Establishment Agreement between and among the CAB Districts dated November 21, 2019).

15.15 Non-liability of CAB Directors, Members, and Employees. No Board Member, or director of the CAB Districts' individual boards of directors, or officer, employee, agent, attorney or consultant of the CAB Districts or the CAB shall be personally liable in the event of default or breach of this CABEA, or for any amount that may become due under the terms of this CABEA.

*[signature blocks on following pages]*



IN WITNESS WHEREOF, Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, ATEC Metropolitan District No. 1, and ATEC Metropolitan District No. 2 have executed this CABEA as of the day and year first written above.

**AEROTROPOLIS AREA COORDINATING  
METROPOLITAN DISTRICT**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

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

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

*[signature blocks continue on following pages]*

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

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**THE AURORA HIGHLANDS  
METROPOLITAN DISTRICT NO. 3**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**ATEC METROPOLITAN DISTRICT NO. 1**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**ATEC METROPOLITAN DISTRICT NO. 2**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

*[end of signature pages]*

**ADDENDUM 1**  
**Public Contract for Services**

By execution of this addendum (“**Addendum**”) to that certain *[insert name of agreement]* dated \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ Metropolitan District (the “**District**”) and \_\_\_\_\_ (the “**Contractor**”) (the “**Agreement**”), the parties to the Agreement further agree as follows:

1. Pursuant to the requirements of Section 8-17.5–102(1), C.R.S., the Contractor hereby certifies to the District that the Contractor does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Contractor who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Contractor shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Contractor represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Contractor obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Contractor shall:

(a) Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment (the “**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Contractor violates any provision of this Addendum, the District may terminate the Agreement immediately and the Contractor shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Contractor to the Colorado Secretary of State, as required by law.

*[end of Addendum 1]*

**ADDENDUM 2**  
**Notice Addendum**

To the CAB:                   The Aurora Highlands Community Authority Board  
c/o CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, Colorado  
Email: Denise.Denslow@claconnect.com  
Attn: Denise Denslow

With a Copy To:           McGeady Becher P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, CO 80203  
Email: mmcgeady@specialdistrictlaw.com  
Attn:     MaryAnn McGeady

To District No. 1, District   *[Name of District]*  
No. 2, and/or District No. 3: c/o CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, Colorado  
Email: Denise.Denslow@claconnect.com  
Attn: Denise Denslow

With a Copy To:           Collins Cockrel & Cole P.C.  
390 Union Boulevard, Suite 400  
Denver, Colorado 80220  
Email: mruhland@cccfirm.com  
Attn: Matt Ruhland

To AACMD, ATEC No. 1,    *[Name of District]*  
and/or ATEC No. 2:       c/o CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, Colorado  
Email: Denise.Denslow@claconnect.com  
Attn: Denise Denslow

With a Copy To:           McGeady Becher P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, CO 80203  
Email: mmcgeady@specialdistrictlaw.com  
Attn:     MaryAnn McGeady

*[end of Addendum 2]*

## **Intergovernmental Agreement Regarding Coordination of Facilities Funding for ATEC Metropolitan District No. 1 Projects**

**Meeting Date:** April 10, 2020

### **Related Parties:**

- The Aurora Highlands Community Authority Board (the “**CAB**”).
- ATEC Metropolitan District No. 1 (“**ATEC No. 1**”)
- Aurora Tech Center Development, LLC (the “**Developer**”)

### **Material Terms:**

- Aurora Tech Center Development, LLC to request the issuance of additional Bonds to fund or reimburse the costs certain of Public Improvements within the boundaries of ATEC No 1.
- Identification of form of debt issuance, i.e. senior or junior parity Bonds.

### **Summary:**

The Intergovernmental Agreement Regarding Coordination of Facilities Funding for ATEC No. 1 Projects establishes the mechanism to fund the development of Public Improvements within ATEC No. 1 by (i) the issuance of Additional Bonds by the CAB; and (ii) pursuant to separate agreements with the Developer and Builders in which the Builders agree to waive and release any rights to reimbursement for the costs of Public Improvements to the Developer and a Capital Construction and Reimbursement Agreement (In-Tract Improvements) with the Developer pursuant to which the CAB will reimburse the Developer for Verified Costs for Public Improvements that are the subject of a related Waiver and Release of Reimbursement Agreement with a Builder. Upon receiving notice from the Developer of a funding request, the CAB will be required to initiate the issuance of Additional Bonds pursuant to the terms of the Indenture and payable from the ATEC No. 1 pledged revenues.

### **Action:**

Review and approval at by the Boards of Directors of The Aurora Highlands Community Authority Board and ATEC No. 1 at the Special Meeting held on April 10, 2020.

**INTERGOVERNMENTAL AGREEMENT REGARDING COORDINATION OF  
FACILITIES FUNDING FOR ATEC METROPOLITAN DISTRICT NO. 1 PROJECTS**

**THIS INTERGOVERNMENTAL AGREEMENT REGARDING COORDINATION OF FACILITIES FUNDING FOR ATEC METROPOLITAN DISTRICT NO. 1 PROJECTS (“Agreement”)** is made and entered into this 10th day of April, 2020, among **ATEC METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**, a political subdivision and public corporation of the State of Colorado (the “**CAB**”) and **AURORA TECH CENTER DEVELOPMENT, LLC**, a Colorado limited liability company (the “**Developer**”) (individually, each a “**Party**” and collectively, the “**Parties**”).

**RECITALS**

A. The CAB was organized pursuant to Section 29-1-203.5, C.R.S., and The Aurora Highlands Community Authority Board Establishment Agreement approved on November 21, 2019, as subsequently amended (the “**CABEA**”) by the Aerotropolis Area Coordinating Metropolitan District (“**AACMD**”), The Aurora Highlands Metropolitan District Nos. 1 through 3 (together, “**TAH**”), and the District and the ATEC Metropolitan District No. 2 (together, “**ATEC**” and, collectively with AACMD and TAH, the “**CAB Districts**”) for the general purposes of effectuating the coordination of the CAB Districts in the financing of the design, construction and operation and maintenance of Public Improvements (defined therein) and services within their combined service area (the “**Service Area**”).

B. The District has entered into a Pledge Agreement with the CAB on even date herewith (the “**Pledge Agreement**”).

C. The Pledge Agreement provides, inter alia, for the ability of the CAB to issue Additional Obligations, as defined in the Pledge Agreement which can be issued as Senior Obligations, Parity Bonds, Junior Lien Obligations or Junior Subordinate Obligations, all as defined in the Pledge Agreement, up to a total amount which can net no more than \$100,000,000 in proceeds for the funding of public improvements to facilitate the construction of commercial and industrial development within the District’s boundaries (the “**Improvements**”).

D. The Developer is managing the development of property within the boundaries of the District (the “**Property**”).

E. It is anticipated that the proceeds of the Additional Bonds will be used fund the Improvements and to reimburse costs incurred, if any, in the design and construction of the Improvements under a Waiver and Release of Reimbursement Rights Agreement, defined below and/or the CCRA-Commercial, defined below, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management (“**Construction Costs**”).

F. The CAB, District and the Developer desire to set forth their respective rights, obligations and procedures with respect to the issuance of Additional Bonds and the reimbursement of the Developer as provided herein.



G. For purposes of this Agreement, the term “Additional Obligations” shall be synonymous with the term “Additional Bonds” as defined in the (a) Special Tax Revenue Draw-Down Bonds, Series 2020A, pursuant to the Series 2020A Indenture and (b) Subordinate Special Tax Revenue Draw-Down Bonds, Series 2020B, pursuant to the Series 2020B Indenture (collectively, “**Indentures**”).

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

## **COVENANTS AND AGREEMENTS**

1. Alternatives for the Construction of the Improvements. The Improvements, at the request of the Developer, may be constructed:

- (a) From the proceeds of Additional Bonds issued by the CAB; or
- (b) Pursuant to one or more Waiver and Release of Reimbursement Rights Agreements entered into by the CAB, the Developer and a Builder in the boundaries of the District (a “**Builder**”) in a form substantially similar to the form attached hereto as **Exhibit A** and incorporated herein by this reference. The CAB and the Developer acknowledge that they have entered into a Capital Construction and Reimbursement Agreement (In-Tract Improvements) of even date herewith (the “**CCRA**”). The CAB and the Developer agree that they will enter into an Agreement with terms substantially similar to the CCRA at such time as the Developer and the CAB enter into a Waiver and Release of Reimbursement Rights Agreement with a Builder (the “**CCRA-Commercial**”).

2. Delivery of Funding Request Notice. The Developer shall notify the CAB and the District in writing of its request (the “**Funding Request Notice**”):

- (a) Of the need to initiate the design or construction of Improvements;
- (b) Which of the Improvements are to be designed and constructed in the phase or phases that are the subject of the Funding Request Notice;
- (c) The estimate of the Construction Costs;
- (d) The request that the Additional Bonds be funded by the issuance of Additional Bonds as Senior Obligations, Parity Bonds, Junior Lien Obligations or Junior Subordinate Obligations; and
- (e) Whether the Additional Bonds are to be issued to reimburse the Verified Costs, as defined in the Waiver and Reimbursement Rights Agreement; or
- (f) Whether the proceeds of the Additional Bonds are to be issued to fund the Construction Costs to be incurred by the CAB in designing and constructing the Improvements that are the subject of the Funding Request Notice.

3. Additional Debt Issuance Notice. Within thirty (30) days of receipt of the Funding Request Notice, the CAB shall retain the necessary consultants for the issuance of Additional Bonds in an amount sufficient to fund the Construction Costs in the Funding Request Notice. The CAB shall provide written notice to the District within sixty (60) days of receipt of the Funding Request Notice as to its intent to issue Additional Bonds to be repaid from the ATEC No. 1 Pledged Revenue, as defined in the Pledge Agreement, and the proposed terms of the Additional Bonds including the proposed principal amount, interest rate and whether the Additional Bonds will be issued as Senior Obligations, Parity Bonds, Junior Lien Obligations or Junior Subordinate Obligations (the “**Additional Debt Issuance Notice**”).

(a) The CAB and the District acknowledge the Additional Debt Issuance Notice is to be provided to the District for informational and planning purposes only.

(b) Prior to the issuance of the Additional Bonds, the CAB and the District shall work in good faith to enter into an agreement regarding the operation and maintenance of the Improvements that are the subject of the Additional Debt Issuance Notice (“**Operations and Maintenance IGA**”). The CAB shall be responsible for the operation and maintenance of any Improvements that are not the subject of an Operations and Maintenance IGA.

4. Construction of Improvements. The CAB shall fund the Improvements that are the subject of a Funding Request Notice as follows:

(a) If the Improvements are not the subject of a Waiver and Release of Reimbursement Rights Agreement and the CCRA-Commercial, the CAB shall design and construct the Improvements from the proceeds of the Additional Bonds.

(b) If the Improvements are the subject of a Waiver and Release Agreement and the CCRA-Commercial, the CAB shall issue the Additional Bonds to the Developer pursuant to the terms of the Indentures, the Waiver and Release of Reimbursement Rights Agreement and the CCRA-Commercial.

5. Funding. The Parties agree that no payment shall be required of the CAB hereunder unless and until the CAB issues the Additional Bonds in an amount sufficient to reimburse the Developer for all or a portion of the Verified Costs, defined in the Waiver and Release of Reimbursement Rights and pursuant to the terms of the CCRA-Commercial.

(a) It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse the Developer hereunder, but that this Agreement shall not constitute a debt or indebtedness of the CAB within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation for the purposes of Article X, Section 20 of the Colorado Constitution, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the CAB.

(b) The CAB acknowledges the Developer is relying on the funding of the Improvements from the issuance of Additional Bonds pursuant to the procedures set forth in this Agreement. Therefore, the CAB agrees to not issue any Additional Bonds to fund Improvements other than those Improvements that are the subject of a Funding Request Notice provided by the Developer pursuant to the procedures set forth in this Agreement.

6. Representations. The Developer hereby represents and warrants to and for the benefit of the CAB and the District as follows:

(a) The Developer is a Nevada limited liability company in good standing and qualified to conduct business under the laws of the State of Colorado.

(b) The Developer has the full power and legal authority to enter into this Agreement.

(c) Neither the execution and delivery of this Agreement nor the compliance by the Developer with any of its terms, covenants or conditions is or shall become a default under any other agreement or contract to which the Developer is a party or by which the Developer is or may be bound.

(d) The Developer has taken or performed all requisite acts or actions which may be required by its organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

(e) The Developer represents that it has sufficient available funds to fulfill its obligations under this Agreement.

The foregoing representations and warranties are made as of the date hereof and shall be deemed continually made by the Developer to the CAB and the District for the entire term of this Agreement.

7. Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District:	ATEC Metropolitan District No. 1 c/o CliftonLarsonAllen LLP 8390 E. Crescent Parkway, Suite 300 Greenwood Village, CO 80111-2811 Attention: Denise Denslow, Manager Phone: (303) 265-7910 Email: <a href="mailto:Denise.Denslow@claconnect.com">Denise.Denslow@claconnect.com</a>
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To CAB: The Aurora Highlands Community Authority Board  
c/o CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111-2811  
Attention: Denise Denslow, Manager  
Phone: (303) 265-7910  
Email: [Denise.Denslow@claconnect.com](mailto:Denise.Denslow@claconnect.com)

With a copy to: McGeady Becher P.C.  
450 East 17<sup>th</sup> Avenue, Suite 400  
Denver, CO 80203-1254  
Attention: MaryAnn M. McGeady  
Phone: 303-592-4380  
Email: [mmcgeady@specialdistrictlaw.com](mailto:mmcgeady@specialdistrictlaw.com)

To Developer: Aurora Tech Center Development, LLC  
c/o Carlo G. Ferreira  
250 S. Pilot Rd., Ste. 150  
Las Vegas, NV 89119  
Email: [admin@cgfmgmt.com](mailto:admin@cgfmgmt.com)

With a copy to: Fairfield and Woods, P.C.  
1801 California St., Ste. 2600  
Denver, CO 80202  
Attention: Rita M. Connerly  
Phone: 303-830-2400  
Email: [rconnerly@fwlaw.com](mailto:rconnerly@fwlaw.com)

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, on the date of transmission if sent by electronically-confirmed email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address or contact information.

8. Assignment. The Developer shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

9. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the CAB, the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the CAB, the District and the Developer shall be for the sole and exclusive benefit of the CAB, the District and the Developer.

10. Default/Remedies. In the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity. In the event of any litigation, arbitration or other proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

11. Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Adams, Colorado.

12. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

13. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

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

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

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

17. Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the CAB, the District or the Developer unless the same is in writing and duly executed by the Parties hereto.

**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE TO INTERGOVERNMENTAL AGREEMENT REGARDING  
COORDINATION OF FACILITIES FUNDING FOR ATEC METROPOLITAN  
DISTRICT NO. 1 PROJECTS**

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

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

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**CAB:**  
**THE AURORA HIGHLANDS**  
**COMMUNITY AUTHORITY BOARD,** a  
political subdivision and public corporation of  
the State of Colorado

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

Attest:

\_\_\_\_\_  
Secretary

**DEVELOPER:**  
**AURORA TECH CENTER DEVELOPMENT,**  
**LLC,** a Colorado limited liability company

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**WAIVER AND RELEASE OF REIMBURSEMENT RIGHTS**

THIS **WAIVER AND RELEASE OF REIMBURSEMENT RIGHTS** (this “**Waiver**”) is made and entered this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**, a political subdivision and public corporation of the State of Colorado (the “**CAB**”), **AURORA TECH CENTER DEVELOPMENT, LLC**, a Colorado limited liability company (the “**Developer**”), and \_\_\_\_\_ a \_\_\_\_\_ authorized to transact business in the State of Colorado (the “**Builder**”) (individual, a “**Party**” and, collectively, the “**Parties**”).

## **RECITALS**

A. The Developer is developing a master planned community located in the City of Aurora, Colorado (the “**City**”), known as The Aurora Highlands (the “**Property**”).

B. In order for the Property to be developed, certain public infrastructure improvements must be designed, funded, acquired, constructed or installed including but not limited to water systems, sanitation systems, park and recreation facilities, street and safety protection improvements, drainage improvements, trails, monuments, landscaping, and other public amenities (the “**Public Improvements**”).

C. The CAB has the authority as set forth in The Aurora Highlands Community Authority Board Establishment Agreement (the “**CABEA**”) entered into on November 21, 2019 to reimburse the costs of designing and constructing Public Improvements that serve the Property.

D. The Developer and the Builder entered into that certain Agreement for Purchase and Sale of Real Property dated \_\_\_\_\_, 20\_\_\_\_ (the “**Purchase Agreement**”), wherein the Builder has agreed to construct certain Public Improvements identified in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**In-Tract Improvements**”).

E. The CAB and the Developer have entered into that certain Capital Construction and Reimbursement Agreement (In-Tract Improvements) (the “**Reimbursement Agreement**”) pursuant to which the Developer agrees to cause the construction of the In-Tract Improvements, and the CAB agrees to acquire the In-Tract Improvements and reimburse the Developer for the Verified Costs (as defined in the Reimbursement Agreement) thereof.

F. The Builder, the CAB, and the Developer have determined that for reasons of economic efficiency and timeliness it is in the best interests of the CAB to have the Builder design and construct the In-Tract Improvements.

G. Section 29-1-203.5, C.R.S., and the CABEA authorize the CAB to issue bonds, the proceeds of which may be used to pay for the Public Improvements, including the In-Tract Improvements.



H. The Builder and the Developer desire to set forth the obligations for construction of and the procedures for the reimbursement of the costs related to the In-Tract Improvements.

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

## **COVENANTS AND AGREEMENT**

1. In-Tract Improvements. The Builder agrees to design, construct, and complete the In-Tract Improvements.

2. Construction of Improvements. The Builder agrees to design, construct, and complete the In-Tract Improvements in full conformance with the design standards and specifications as established and in use by the City, Adams County, Urban Drainage and Flood Control District, and other appropriate jurisdictions pursuant to the provisions of this Waiver and if applicable, approved by a professional engineer licensed in the State of Colorado and designated by the CAB to review the In-Tract Improvements (the “**Independent Engineer**”).

(a) Procedure.

(i) Construction Contract Requirements. The Builder agrees that any construction contract for all or any portion of the In-Tract Improvements shall require the contractor to provide a warranty from the date of preliminary acceptance of the completed In-Tract Improvements and a security mechanism to secure the warranty approved by the CAB or as required by the applicable approving jurisdiction.

(ii) Verification of Project Improvement Costs. The Builder shall, at no out-of-pocket cost to the CAB, provide to the Independent Engineer the documentation reasonably required for the Independent Engineer to verify the costs of development of the In-Tract Improvements as eligible for reimbursement from public funds (“**Verified Costs**”). The Independent Engineer will review the documentation for purposes of verification of the Actual Costs to:

(1) Be reasonable and comparable for similar public improvements in the Denver Metropolitan Area during the time period within which the In-Tract Improvements were designed and constructed; and

(2) Be improvements the CAB is authorized to provide under the CABEA; and

(3) Confirm that all vendors and contactors involved in the design, construction, and completion of the In-Tract Improvements have been paid and there are no disputes, liens, or encumbrances outstanding related thereto.

(b) Verified Costs Report. The Independent Engineer shall, at the CAB’s cost, provide to the CAB a report and analysis of the Verified Costs of In-Tract Improvements constructed by the Builder and payable to the Developer.

(c) Verification of In-Tract Improvement Costs. The CAB shall acknowledge and accept the costs of the In-Tract Improvements after preliminary acceptance from the appropriate approving jurisdiction and prior to final acceptance in accordance with the adopted rules and regulations of the CAB, as may be amended from time to time.

3. Waiver of Reimbursement. The Builder hereby irrevocably and perpetually consents, grants, transfers to and pledges to the Developer all right, title and interest of the Builder, in and to any reimbursement of costs incurred in the planning, design, engineering, testing, construction, and installation of the In-Tract Improvements. The Builder waives any and all rights to any revenues of the CAB, including those that may become available from Bonds, for the In-Tract Improvements. The Builder releases and agrees to hold the CAB harmless from any and all claims, damages, or liabilities arising from, or related to, any payment, exchange of value, or other reimbursement to the Developer.

4. Representations. The Developer and the Builder, each for themselves, hereby represent and warrant to and for the benefit of the CAB:

(a) That it has the full power and legal authority to enter into this Waiver; and

(b) Neither the execution and delivery of this Waiver nor the compliance by the Developer or the Builder with any of its terms, covenants or conditions is or shall become a default under any other agreement or contract to which the Developer or the Builder is a party or by which the Developer or the Builder is or may be bound; and

(c) The Developer and the Builder have taken or performed all requisite acts or actions which may be required by its respective organizational or operational documents to confirm its respective authority to execute, deliver and perform each of its obligations under this Waiver.

(d) The Builder has not sold, contracted to sell, pledged, mortgaged, encumbered, assigned or otherwise disposed of, created or obligated to be created, any lien, security interest, or encumbrance upon the In-Tract Improvements or the right to reimbursement or exchange of value related thereto.

These representations and warranties are made as of the date hereof and shall be deemed continually made by the Developer and the Builder to each other and the CAB for the entire term of this Waiver.

5. Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Builder confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

6. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be

deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, via facsimile with a hard copy immediately following thereafter by United States mail, or by depositing same in the United States mail, postage prepaid, addressed as follows:

Developer:	Aurora Highlands, LLC 250 S. Pilot Road, Suite 150 Las Vegas, NV 89119 Attention: Carlo Ferreira Phone: 702-685-7164 Email: carlo@cgfmgmt.com
With a copy to:	Fairfield and Woods P.C. 1801 California Street, Suite 2600 Denver, CO 80202-2645 Attention: Rita M. Connerly Phone: 303-894-4411 Email: rconnerly@fwlaw.com
CAB:	The Aurora Highlands Community Authority Board c/o CliftonLarsonAllen LLC 8390 E. Crescent Pkwy., Suite 300 Greenwood Village, CO 80111 Attention: Denise Denslow Phone: 303-779-5710 Email: denise.denslow@claconnect.com
With a copy to:	McGeady Becher P.C. 450 East 17 <sup>th</sup> Avenue, Suite 400 Denver, CO 80203-1254 Attention: MaryAnn McGeady Phone: 303-592-4380 Email: mmcgeady@specialdistrictlaw.com
Builder:	_____ _____ _____ _____ _____

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other parties hereto at least ten (10) days

written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

7. Assignment. Neither the Developer nor the Builder shall assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

8. Default/Remedies. In the event of a breach or default of this Waiver by any party, the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof the prevailing party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

9. Governing Law and Venue. This Waiver shall be governed and construed under the laws of the State of Colorado, and any proceedings shall take place in Adams County, Colorado and not elsewhere.

10. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

11. Integration. This Waiver constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

12. Parties Interested Herein. Nothing expressed or implied in this Waiver is intended or shall be construed to confer upon, or to give to, any person other than the Parties hereto any right, remedy, or claim under or by reason of this Waiver or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Waiver by and on behalf of the Builder and the Developer shall be for the sole and exclusive benefit of the Parties hereto.

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

14. Counterparts. This Waiver may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

15. Conditions Precedent. The performance by the Builder of its obligations shall constitute conditions precedent to the performance of the obligations of the Developer as set forth herein.

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

17. Survival. This Waiver and the obligations of the parties hereunder shall survive the closing of the transactions referred to in the Purchase Agreement, shall be binding upon and inure to the benefit of Builder, its respective legal representatives, successors and assigns and shall be governed by and construed in accordance with the laws of the State of Colorado and may not be modified or amended except by written agreement signed by both parties.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO WAIVER AND RELEASE OF  
REIMBURSEMENT RIGHTS]

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

Developer

**AURORA HIGHLANDS, LLC**, a Nevada  
limited liability company

By: CGF Management, Inc., a Nevada  
corporation, its Manager

By: \_\_\_\_\_  
Carlo G. Ferreira, President

CAB

**The Aurora Highlands Community  
Authority Board**, a political subdivision  
and public corporation of the State of  
Colorado

By: \_\_\_\_\_  
Matt Hopper, President

Attest:

\_\_\_\_\_  
Secretary

Builder

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
[Name][Title]

**EXHIBIT A**  
**IN-TRACT IMPROVEMENTS**

## EXHIBIT B

### CERTIFICATION OF BUILDER

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Builder hereby certifies to the CAB that the Builder does not knowingly employ or contract with an illegal alien who will perform work under the Waiver and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of Builder who are newly hired to perform work under the Waiver.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Builder shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Waiver; or

(b) Enter into a contract with a subcontractor that fails to certify the Builder that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Waiver.

3. The Builder represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Waiver through participation in either the E-Verify Program or the Department Program.

4. The Builder is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Waiver is in effect.

5. If the Builder obtains actual knowledge that a subcontractor performing work under the Waiver knowingly employs or contracts with an illegal alien, Builder shall:

(a) Notify the subcontractor and the CAB within three (3) days that the Builder has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Builder shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Builder shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.



7. If the Builder violates any provision of Section 8-17.5–102(1), C.R.S., the CAB may terminate the Waiver immediately and the Builder shall be liable to the CAB for actual and consequential damages of the CAB resulting from such termination, and the CAB shall report such violation by the Builder to the Colorado Secretary of State, as required by law.

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

ATEC Metropolitan District No. 1  
8390 E. Crescent Parkway  
Suite 300  
Greenwood Village, CO 80111

For the Year Ended  
12/31/19  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL  
FAX

Kevin Collins  
303-779-5710  
Kevin.Collins@claconnect.com  
303-779-0348

## PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:

Kevin Collins

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

February 24, 2020

**PREPARER** (SIGNATURE REQUIRED)

**SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT**

Please indicate whether the following financial information is recorded  
using Governmental or Proprietary fund types

**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)



**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)



## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".



## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

Yes No

4-1 Does the entity have outstanding debt? ☐ Yes ☒ No  
If Yes, please attach a copy of the entity's Debt Repayment Schedule.

4-2 Is the debt repayment schedule attached? If no, MUST explain: ☐ Yes ☒ No

N/A

4-3 Is the entity current in its debt service payments? If no, MUST explain: ☐ Yes ☒ No

N/A

Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

Yes No

4-5 Does the entity have any authorized, but unissued, debt? ☒ Yes ☐ No

If yes: How much? \$ 56,000,000,000.00

Date the debt was authorized: 11/5/2019

4-6 Does the entity intend to issue debt within the next calendar year? ☐ Yes ☒ No

If yes: How much? \$ -

4-7 Does the entity have debt that has been refinanced that it is still responsible for? ☐ Yes ☐ No

If yes: What is the amount outstanding? \$ -

4-8 Does the entity have any lease agreements? ☐ Yes ☐ No

If yes: What is being leased?

What is the original date of the lease?

Number of years of lease?

Is the lease subject to annual appropriation? ☐ Yes ☐ No

What are the annual lease payments? \$ -

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

Amount Total

5-1 YEAR-END Total of ALL Checking and Savings Accounts \$ -

5-2 Certificates of deposit \$ -

Total Cash Deposits \$ -

Investments (if investment is a mutual fund, please list underlying investments):

5-3 \$ -

\$ -

\$ -

\$ -

Total Investments \$ -

Total Cash and Investments \$ -

Please answer the following questions by marking in the appropriate boxes

Yes No N/A

5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? ☐ Yes ☐ No ☒ N/A

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? ☐ Yes ☐ No ☒ N/A

If no, MUST use this space to provide any explanations:



## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets?

☐
☒

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:

☐
☒

6-3

Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firemen's pension plan?

☐
☒

7-2 Does the entity have a volunteer firemen's pension plan?

☐
☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan	\$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒
☐
☐

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:

☒
☐
☐

If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ -

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

☒
☐

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

☒
☐

If yes: Date of formation: 11/19/2019

10-2 Has the entity changed its name in the past or current year?

☐
☒

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

☒
☐

Please indicate what services the entity provides:

See below.

10-4 Does the entity have an agreement with another government to provide services?

☒
☐

If yes: List the name of the other governmental entity and the services provided:

See below.

10-5 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during

☐
☒

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

☒
☐

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills

-

General/Other mills

-

Total mills

-

Please use this space to provide any explanations or comments:

10-3. Public streets, traffic and safety, water, sanitary and storm sewer, park and recreation, public transportation, communications systems, security improvements, and mosquito control.

10-4. The District was formed in conjunction with ATEC Metropolitan District No. 2 (the ATEC Districts). The ATEC Districts, together with the Aerotropolis Area Coordinating Metropolitan District and The Aurora Highlands Metropolitan District Nos. 1-3 formed the Aurora Highlands Community Authority Board (CAB) pursuant to an 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 areas.



## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1

If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

☐☐

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Deanna Hopper	I, Deanna Hopper, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Deanna Hopper</u> Date: <u>3-18-20</u> My term Expires: May 2020
Board Member 2	Kathleen Sheldon	I, Kathleen Sheldon, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2020
Board Member 3	Carla Ferreira	I, Carla Ferreira, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2022
Board Member 4	Matthew Hopper	I, Matthew Hopper, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Matthew Hopper</u> Date: <u>3-18-20</u> My term Expires: May 2022
Board Member 5	Michael Sheldon	I, Michael Sheldon, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Michael Sheldon</u> Date: <u>3-18-20</u> My term Expires: May 2022
Board Member 6	Print Board Member's Name	
Board Member 7	Print Board Member's Name	





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### Accountant's Compilation Report

Board of Directors  
ATEC Metropolitan District No. 1  
Adams County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of ATEC Metropolitan District No. 1 as of and for the year ended December 31, 2019, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This 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.

We are not independent with respect to ATEC Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
February 24, 2020

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

ATEC Metropolitan District No. 2

8390 E. Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Kevin Collins

PHONE

303-779-5710

EMAIL

Kevin.Collins@claconnect.com

FAX

303-779-0348

For the Year Ended

12/31/19

or fiscal year ended:

## PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:

Kevin Collins

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

February 24, 2020

**PREPARER** (SIGNATURE REQUIRED)

### SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded  
using Governmental or Proprietary fund types

**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)



**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)





## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".



## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No																																								
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																								
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																								
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																								
4-4	<div style="display: flex;"> <div style="flex: 1;">                     Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)                 </div> <table border="1" style="flex: 4; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%;">Outstanding at end of prior year*</th> <th style="width: 15%;">Issued during year</th> <th style="width: 15%;">Retired during year</th> <th style="width: 15%;">Outstanding at year-end</th> </tr> </thead> <tbody> <tr> <td>General obligation bonds</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Revenue bonds</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Notes/Loans</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Leases</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Developer Advances</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Other (specify):</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td><b>TOTAL</b></td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> </tbody> </table> </div>		Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end	General obligation bonds	\$ -	\$ -	\$ -	\$ -	Revenue bonds	\$ -	\$ -	\$ -	\$ -	Notes/Loans	\$ -	\$ -	\$ -	\$ -	Leases	\$ -	\$ -	\$ -	\$ -	Developer Advances	\$ -	\$ -	\$ -	\$ -	Other (specify):	\$ -	\$ -	\$ -	\$ -	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -		
	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end																																							
General obligation bonds	\$ -	\$ -	\$ -	\$ -																																							
Revenue bonds	\$ -	\$ -	\$ -	\$ -																																							
Notes/Loans	\$ -	\$ -	\$ -	\$ -																																							
Leases	\$ -	\$ -	\$ -	\$ -																																							
Developer Advances	\$ -	\$ -	\$ -	\$ -																																							
Other (specify):	\$ -	\$ -	\$ -	\$ -																																							
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -																																							

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much?		
	Date the debt was authorized:		
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$ 56,000,000,000.00</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">11/5/2019</div>		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased?		
	What is the original date of the lease?		
	Number of years of lease?		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the annual lease payments?		

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	<b>Total Cash Deposits</b>		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
5-3		\$ -	
		\$ -	
		\$ -	
	<b>Total Investments</b>		\$ -
	<b>Total Cash and Investments</b>		\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:



## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets?

☐
☒

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:

☐
☒

6-3 Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firemen's pension plan?

☐
☒

7-2 Does the entity have a volunteer firemen's pension plan?

☐
☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

**TOTAL**

\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan

\$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒
☐
☐

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:

☒
☐
☐


If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ -

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

☒

☐

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

Is this application for a newly formed governmental entity?

☒

☐

10-1

If yes: Date of formation: 11/19/2019

10-2 Has the entity changed its name in the past or current year?

☐

☒

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

☒

☐

Please indicate what services the entity provides:

See below.

10-4 Does the entity have an agreement with another government to provide services?

☒

☐

If yes: List the name of the other governmental entity and the services provided:

See below.

10-5 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during

☐

☒

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

☐

☒

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills

-

General/Other mills

-

Total mills

-

Please use this space to provide any explanations or comments:

10-3. Public streets, traffic and safety, water, sanitary and storm sewer, park and recreation, public transportation, communications systems, fire protection, security improvements, and mosquito control.

10-4. The District was formed in conjunction with ATEC Metropolitan District No. 1 (the ATEC Districts). The ATEC Districts, together with the Aerotropolis Area Coordinating Metropolitan District and The Aurora Highlands Metropolitan District Nos. 1-3 formed the Aurora Highlands Community Authority Board (CAB) pursuant to an 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 areas.



## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

☐☒

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
  - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Deanna Hopper	I, Deanna Hopper, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Deanna Hopper</u> Date: <u>3/18/20</u> My term Expires: May 2020
Board Member 2	Kathleen Sheldon	I, Kathleen Sheldon, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2020
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Board Member 5	Michael Sheldon	I, Michael Sheldon, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Michael Sheldon</u> Date: <u>3/18/20</u> My term Expires: May 2022
Board Member 6	Print Board Member's Name	
Board Member 7	Print Board Member's Name	





CliftonLarsonAllen LLP  
www.CLAConnect.com

## Accountant's Compilation Report

Board of Directors  
ATEC Metropolitan District No. 2  
Adams County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of ATEC Metropolitan District No. 2 as of and for the year ended December 31, 2019, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This 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.

We are not independent with respect to ATEC Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
February 24, 2020

**CERTIFIED RECORD**  
**OF**  
**PROCEEDINGS OF**  
**THE BOARD OF DIRECTORS**  
**OF**  
**ATEC METROPOLITAN DISTRICT NO. 1**  
**In the City of Aurora**  
**Adams County, Colorado**

Relating to a Resolution authorizing a  
**Capital Pledge Agreement and other matters**

Adopted on April 10, 2020

*This cover page is not a part of the following resolution and is included solely for the convenience of the reader.*

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(Attach copy of notice of meeting, as posted)

STATE OF COLORADO )  
ADAMS COUNTY )  
CITY OF AURORA )  
ATEC METROPOLITAN DISTRICT NO. 1)

The Board of Directors (the “District Board”) of ATEC Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado (the “District”) held a special meeting at The Aurora Highlands Construction Trailer, 4271 North Gun Club Road, Aurora, Colorado 80019, on Friday, the 10th day of April, 2020 at 1:00 p.m.

***In accordance with Section 11-57-211, C.R.S., one or more of the members of the District Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.***

At such meeting, the following members of the District Board were present, constituting a quorum:

Matthew Hopper	President
Carla Ferreira	Vice President
Michael Sheldon	Treasurer
Deanna Hopper	Assistant Secretary
Kathleen Sheldon	Assistant Secretary

[At such meeting, the following members of the District Board were not present:]

Also present at such meeting:

District Manager:	Ann Finn Special District Management Services Inc.
District Counsel:	MaryAnn McGeady, Esq. & Elisabeth Cortese, Esq. McGeady Becher P.C.
District Bond Counsel:	Kamille J. Curylo, Esq., Saranne Maxwell, Esq., & Kristine Lay, Esq. Kutak Rock LLP
Placement Agent:	Brooke Hutchens D.A. Davidson & Co.
Accountant:	Debra Sedgeley CliftonLarsonAllen LLP

At such meeting thereupon there was introduced the following resolution:

## RESOLUTION

**A RESOLUTION OF THE BOARD OF DIRECTORS OF ATEC METROPOLITAN DISTRICT NO. 1 (THE “DISTRICT”) AUTHORIZING THE DISTRICT TO ENTER INTO A CAPITAL PLEDGE AGREEMENT WITH THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD (THE “AUTHORITY”) AND ZIONS BANCORPORATION, NATIONAL ASSOCIATION RELATING TO THE AUTHORITY’S SPECIAL TAX REVENUE DRAW-DOWN BONDS, SERIES 2020A (THE “SERIES 2020A BONDS”), SUBORDINATE SPECIAL TAX REVENUE DRAW-DOWN BONDS, SERIES 2020B (THE “SUBORDINATE SERIES 2020B BONDS” AND TOGETHER WITH THE SERIES 2020A BONDS, THE “BONDS”) AND ANY OTHER ADDITIONAL OBLIGATIONS THAT MAY BE ISSUED BY THE AUTHORITY IN THE FUTURE ON BEHALF OF THE DISTRICT PURSUANT TO ADDITIONAL OBLIGATION DOCUMENTS COLLECTIVELY IN A COMBINED MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,000,000,000 (COLLECTIVELY, THE “PAYMENT OBLIGATIONS”); AUTHORIZING THE DISTRICT TO ENTER INTO A MILL LEVY POLICY AGREEMENT, ESTABLISHMENT AGREEMENT, A PILOT COVENANT AND OTHER FINANCING DOCUMENTS RELATING TO THE PAYMENT OBLIGATIONS; APPROVING THE FORM OF SUCH CAPITAL PLEDGE AGREEMENT, MILL LEVY POLICY AGREEMENT, ESTABLISHMENT AGREEMENT, PILOT COVENANT AND OTHER FINANCING DOCUMENTS; AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND OF OTHER DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS IN CONNECTION WITH THE FOREGOING; AUTHORIZING INCIDENTAL ACTION; REPEALING PRIOR INCONSISTENT ACTIONS; AND SETTING FORTH THE EFFECTIVE DATE HEREOF.**

WHEREAS, capitalized terms used and not otherwise defined in the recitals hereof shall have the meanings set forth in Section 1 below; and

WHEREAS, ATEC Metropolitan District No. 1 (the “District”) is a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32, Article 1, Colorado Revised Statutes (“C.R.S.”) (the “Act”); and

WHEREAS, the District is authorized by the Act to furnish certain public facilities and services, including, but, not limited to, street improvement, traffic and safety, water, sanitation, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission in accordance with the Service Plan for the District that was approved by the City Council of the City of Aurora, Colorado (the “City”) on August 6, 2018 (the “Service Plan”);

WHEREAS, the Service Plan has been prepared for the District pursuant to Sections 32-1-201, C.R.S. et seq., and all required governmental approvals have been obtained therefor; and

WHEREAS, in accordance with Part 1 of the Act and the Service Plan, the purpose for which the District was formed include the provision of, among other things, street improvement,

traffic and safety, water, sanitation, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission (the “Public Improvements”); and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., as amended, the District, the other Financing Districts (as hereinafter defined) and The Aurora Highlands Community Authority Board (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 hereinafter defined CABEA) may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the Act further provides that any such contract among the Authority, the District and the other Financing Districts may be entered into any for any period, notwithstanding any provision of law limiting the length of any financial contracts or obligations of governments such as the Authority, the District and the other Financing Districts;

WHEREAS, the District together with ATEC Metropolitan District No. 2 (“ATEC No. 2”), The Aurora Highlands Metropolitan District No. 1 (“District No. 1”), The Aurora Highlands Metropolitan District No. 2 (“District No. 2”), The Aurora Highlands District No. 3 (“District No. 3”), and the Aerotropolis Area Coordinating Metropolitan District (the “Coordinating District” and, together with the District, ATEC No. 2, District No. 1, District No. 2, and District No. 3, the “Financing Districts”) have entered into that certain The Aurora Highlands Community Authority Board Establishment Agreement, dated as of November 21, 2019, as supplemented and amended by the First Amended and Restated The Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 10, 2020 (collectively, the “CABEA”), for the purpose of creating the Authority in order to allow the Financing Districts the ability to achieve efficiencies in coordinating the designing, planning, construction, acquisition, financing, operating, and maintaining of the Public Improvements necessary for The Aurora Highlands Development (as hereinafter defined); and

WHEREAS, under the Service Plan 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 Public Improvements necessary to serve development (including The Aurora Highlands Development) within the Financing Districts, which is generally anticipated to consist of residential development in the District; and

WHEREAS, the Authority and the Financing Districts envision a Public Improvements financing plan (the “Long Term Capital Improvements Plan”) to issue Bonds and other Additional Obligations (both as hereinafter defined) with respect to The Aurora Highlands Development over a term of years consistent with the term of the ATEC No. 1 Capital Pledge Agreement (the “Capital Pledge Agreement”) to be dated on or about April 16, 2020, by and among the Authority, the District and Zions Bancorporation National Association, in its capacity as trustee (the “Trustee”) under that certain Indenture of Trust, to be dated on or about April 16, 2020 (the “Senior Indenture”) and that certain Indenture of Trust (Subordinate), to be dated on or about April 16, 2020 (the “Subordinate Indenture” and, together with the Series 2020A Indenture, the “Indentures”), to be entered into with the Authority; and

WHEREAS, the District was organized with the approval of the City, and with the approval of its electors, such approval fully contemplating cooperation among the District, the Authority and the other Financing Districts as provided in the Capital Pledge Agreement, in the Service Plan and the CABEA to effectuate the Long Term Capital Improvements Plan; and

WHEREAS, as contemplated by the Service Plan, the District entered into an Intergovernmental Agreement with the City on November 21, 2019 (the “City IGA”); and

WHEREAS, the District and the Authority have determined that the Public Improvements anticipated to be financed pursuant to a Long Term Capital Improvements Plan are generally contemplated by the Service Plan, the City IGA, and the CABEA; are needed; and, due to the nature of the Public Improvements and proximity and interrelatedness of the development anticipated to occur within the boundaries of the Authority, will benefit the residents, property owners and taxpayers in the District; and

WHEREAS, Aurora Highlands, LLC, a Nevada limited liability company, is the developer (the “Developer”) of the community located in the service area of the Authority, in the City of Aurora, Adams County, Colorado, and commonly known as The Aurora Highlands (the “The Aurora Highlands Development”), has constructed certain Public Improvements within or otherwise serving the residents, property owners and taxpayers of the Financing Districts and the Authority and is anticipated to construct and/or cause other developers to construct additional Public Improvements within or otherwise serving the residents, property owners and taxpayers of the Financing Districts and the Authority; and

WHEREAS, the Board of Directors of the Authority (the “Board of the Authority”) and the Board of Directors of each of the Financing Districts have determined that it is necessary to pay or reimburse the Developer for the costs of acquiring, constructing and installing the Public Improvements over the course of effectuating the Long Term Capital Improvements Plan, the debt for which was approved by the Election (as hereinafter defined) (the “Project”); and

WHEREAS, at an election of the qualified electors of the District duly called for and held on November 5, 2019 (the “Election”), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at each such election voted in favor of, inter alia, the issuance of debt and the 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 to the Capital Pledge Agreement); and

WHEREAS, the returns of the Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district 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 each Election; and

WHEREAS, the District now desires to facilitate the issuance of indebtedness by the Authority secured by ad valorem property taxes of the Financing Districts for the purpose of financing the Project; and

WHEREAS, for the purpose of financing certain of the costs of the Project, the Board of the Authority has determined to initially issue, on behalf of the Financing Districts, its (a) Special Tax Revenue Draw-Down Bonds, Series 2020A (the “Series 2020A Bonds”) pursuant to the Senior Indenture and (b) Subordinate Special Tax Revenue Draw-Down Bonds, Series 2020B (the “Subordinate Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”) pursuant to the Subordinate Indenture; and

WHEREAS, it is anticipated that the Authority shall issue Additional Obligations (as hereinafter defined) on behalf of the Financing Districts from time to time in order to finance additional costs of the Project, including approximately \$100 million of net proceeds of Additional Obligations on behalf of the District, which may be issued as Senior Obligations, Parity Bonds, Junior Lien Obligations or Junior Subordinate Obligations (each as defined in the Capital Pledge Agreement), and the net proceeds are anticipated to be used to fund the Project and the Long Term Capital Improvements Plan; and

WHEREAS, the District has determined that the execution of the Capital Pledge Agreement and the issuance of the Bonds and Additional Obligations (collectively, “Payment Obligations”) for the purpose of financing the Project are in the best interests of the District and the residents, property owners, and taxpayers thereof; and

WHEREAS, in order to provide for the payment of the Payment Obligations that may be issued by the Authority in the future on behalf of the District to finance the Project, the District Board determined and hereby determines that the District shall, by the terms of the Capital Pledge Agreement, pledge certain revenues (referred to therein as the ATEC No. 1 Pledged Revenue) to the Authority for the payment of the Payment Obligations, and shall covenant to take certain actions with respect to generating such revenues, for the benefit of the owners of the Payment Obligations; and

WHEREAS, the Authority has also entered into certain other capital pledge agreements with the other Financing Districts to further secure repayment of the Payment Obligations; and

WHEREAS, the Capital Pledge Agreement shall be entered into pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., the Service Plan and all other laws thereunto enabling; and

WHEREAS, the District Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), to the Capital Pledge Agreement 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 the Capital Pledge Agreement and the Payment Obligations of the District; and

WHEREAS, the obligation of the District to pay the Financing Costs with respect to the Payment Obligations secured under the Capital Pledge Agreement shall be a multiple fiscal year obligation of the District payable solely from and to the extent of the ATEC No. 1 Pledged



Revenue, which ATEC No. 1 Pledged Revenue shall be remitted by the District to the Trustee under the Indentures and Additional Obligation Documents (as hereinafter defined) in order to secure repayment of the Payment Obligations as set forth in the Capital Pledge Agreement; and

WHEREAS, the Bonds shall be issued to “accredited investors” within the meaning of Rule 501(A) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, any other Additional Obligations issued by the Authority on behalf of the District under the Capital Pledge Agreement will be issued either in denominations of not less than \$500,000 each or to “accredited investors” as that term is defined in Section 11-59-110(1)(g) C.R.S., unless an exemption from the registration requirements of the Colorado Municipal Bond Supervision Act, or any successor statute, is otherwise available; and

WHEREAS, pursuant to the provisions of Section 32-1-1101(6)(a)(VI), C.R.S., the Bonds will be issued only to a “financial institution or institutional investor” as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, any other Additional Obligations issued by the Authority on behalf of the District under the Capital Pledge Agreement will initially be issued only to a “financial institution or institutional investor” as such terms are defined in Section 32-1-103(6.5), C.R.S. or will constitute a refunding or restructuring contemplated by Section 32-1-1101(6)(b), C.R.S.; and

WHEREAS, based upon the anticipated uses of the proceeds of the Bonds and other Additional Obligations which may be issued under the Capital Pledge Agreement, the District Board has determined to allocate the principal amount of the Bonds for which voted authorization is needed and all Additional Obligations issued and secured under the Capital Pledge Agreement to the District’s electoral authorization under the Election as more particularly provided in the recitals of the Capital Pledge Agreement; and

WHEREAS, after consideration, the District Board has determined that entering into the Capital Pledge Agreement to support repayment of the Payment Obligations on the terms and conditions set forth in the Capital Pledge Agreement and the related District Documents (as hereinafter defined) is in the best interests of the District, the taxpayers thereof, and hereby determines that it was and is necessary to enter into the Capital Pledge Agreement and to remit the ATEC No. 1 Pledged Revenue to the Trustee under the Indentures and Additional Obligation Documents or as otherwise directed by the Authority; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the members of the District Board were disclosed to the Colorado Secretary of State and to the District Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate District Board members have made disclosure of their personal and private interests relating to the Capital Pledge Agreement in writing to the Secretary of State and the District Board; finally, the District Board members having such interests have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such

interests and the participation of those District Board members is necessary to obtain a quorum or otherwise enable the District Board to act; and

WHEREAS, there has been presented at or prior to this meeting of the District Board substantially final drafts of the District Documents; and

WHEREAS, the District Board desires to authorize the execution and delivery of the District Documents and the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ATEC METROPOLITAN DISTRICT NO. 1, IN THE CITY OF AURORA, ADAMS COUNTY, COLORADO:

**Section 1. Definitions.** The following capitalized terms shall have the respective meanings set forth below:

“*Act*” has the meaning set forth in the recitals hereof.

“*Additional Obligations*” has the meaning set forth in the Capital Pledge Agreement.

“*Additional Obligation Documents*” has the meaning set forth in the Capital Pledge Agreement.

“*ATEC No. 1 Pledged Revenue*” has the meaning set forth in the Capital Pledge Agreement.

“*ATEC No. 2*” has the meaning set forth in the recitals hereof.

“*Authority*” has the meaning set forth in the recitals hereof.

“*Board of the Authority*” has the meaning set forth in the recitals hereof.

“*Bond Counsel*” means Kutak Rock LLP, Denver, Colorado.

“*Bond Resolution*” means the resolution adopted by the Authority which authorizes the issuance of the Bonds and other, related financing documents as more particularly described therein.

“*Bonds*” means the Series 2020A Bonds and Subordinate Series 2020B Bonds.

“*CABEA*” has the meaning set forth in the recitals hereof.

“*Capital Pledge Agreement*” or “*Pledge Agreement*” means the Capital Pledge Agreement dated on or about April 16, 2020, by and among the District, the Authority and the Trustee.

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

*“Coordinating District”* has the meaning set forth in the recitals hereof.

*“Developer”* means Aurora Highlands, LLC, a Nevada limited liability company

*“District”* has the meaning set forth in the recitals hereof.

*“District Board”* has the meaning set forth in the recitals hereof.

*“District Counsel”* means McGeady Becher P.C., Denver, Colorado.

*“District Documents”* means, collectively, the Capital Pledge Agreement, the Mill Levy Policy Agreement, the PILOT Covenant, the CABEA and this Resolution.

*“District No. 1”* has the meaning set forth in the recitals hereof.

*“District No. 2”* has the meaning set forth in the recitals hereof.

*“District No. 3”* has the meaning set forth in the recitals hereof.

*“District Representative”* means the person or persons at the time designated to act on behalf of the District as provided in this Resolution or as may from time to time be designated by a resolution adopted by the District Board with a copy of such resolution or, in lieu thereof, a written certificate signed by the President of the District, provided to the Trustee.

*“Election”* has the meaning set forth in the recitals hereof.

*“Financing Districts”* means, collectively, the District, ATEC No. 2, District No. 1, District No. 2, District No. 3 and the Coordinating District.

*“Indentures”* means, collectively, the Senior Indenture and the Subordinate Indenture.

*“Long Term Capital Improvements Plan”* has the meaning set forth in the recitals hereof.

*“Mill Levy Policy Agreement”* means that certain Mill Levy Policy Agreement, dated April 16, 2020, by and among the Authority, the Coordinating District, the District, District No. 1, District No. 2, District No. 3, and ATEC No. 2.

*“Payment Obligations”* means, collectively, the Bonds and Additional Obligations.

*“PILOT Covenant”* has the meaning set forth in the Capital Pledge Agreement.

*“Project”* has the meaning set forth in the recitals hereof.

*“Public Improvements”* has the meaning set forth in the recitals hereof.

*“Resolution”* means this resolution which authorizes the execution, delivery, and performance of the District Documents by the District and execution and delivery of the other documents and instruments in connection therewith.

*“Senior Indenture”* has the meaning set forth in the recitals hereof.

*“Series 2020A Bonds”* has the meaning set forth in the recitals hereof.

*“Service Plan”* has the meaning set forth in the recitals hereof.

*“Subordinate Indenture”* has the meaning set forth in the recitals hereof.

*“Subordinate Series 2020B Bonds”* has the meaning set forth in the recitals hereof.

*“Supplemental Public Securities Act”* has the meaning set forth in Section 3(b) hereof.

*“The Aurora Highlands Development”* has the meaning set forth in the recitals hereof.

*“Trustee”* means (a) with respect to the Bonds, Zions Bancorporation National Association, Denver, Colorado, and its successors, and (b) with respect to Additional Obligations, the entity designated to act as trustee under the related Additional Obligation Documents or any successor entity appointed, qualified, and acting as trustee, paying agent and bond registrar under the provisions of the related Additional Obligation Documents.

**Section 2. District Documents: Approval, Authorization, and Amendment.** The District Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the District Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith. The President, Vice President and the Treasurer of the District are each hereby authorized and directed to execute and deliver the District Documents and the Treasurer or Assistant Secretaries of the District are each hereby authorized and directed to attest the District Documents and to affix the seal of the District thereto, and any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District are further authorized to execute, deliver and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to effect the transactions contemplated under the District Documents. The District Documents are to be executed in substantially the form presented at or prior to this meeting of the District Board, provided that such documents may be completed, corrected, or revised as deemed necessary or convenient and approved by District Counsel in order to carry out the purposes of this Resolution and such approval by District Counsel shall be deemed approval by the District Board; provided, however, that District Counsel shall consult with a representative of the District in connection with such approval. To the extent any District Document has been executed prior to the date hereof, then said execution is hereby ratified and affirmed. Copies of all of the District Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the District Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District

relating to the District Documents and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any District Document by any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Findings and Declarations of the District Board.** The District Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, and declares as follows:

(a) ***Allocation of Voted Authorization.*** The District Board hereby determines to allocate voted authorization obtained at the Elections to the Capital Pledge Agreement as set forth therein.

(b) ***Election to Apply Supplemental Public Securities Act.*** The District Board specifically elects to apply the provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), to the Capital Pledge Agreement and its pledge of revenues thereunder, 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 the Capital Pledge Agreement and the Payment Obligations of the District.

**Section 4. Authorization.** In accordance with the Constitution of the State of Colorado; Title 32, Article 1, Parts 11 and 13, C.R.S.; the Supplemental Public Securities 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 shall not apply to the Capital Pledge Agreement and the Payment Obligation of the District thereunder); the Election, and all other laws of the State of Colorado thereunto enabling, the District shall enter into the Capital Pledge Agreement in order to secure the Payment Obligations thereunder in a maximum aggregate principal amount of up to \$4,000,000,000 and the other District Documents for the purposes set forth therein. The obligation of the District to pay the Financing Costs with respect to the Payment Obligations secured under the Capital Pledge Agreement shall be a multiple fiscal year obligation of the District payable solely from and to the extent of the ATEC No. 1 Pledged Revenue, which ATEC No. 1 Pledged Revenue shall be remitted by the District to the Trustee under the Indentures and Additional Obligation Documents in order to secure repayment of the Payment Obligations as set forth in the Capital Pledge Agreement.

**Section 5. Permitted Amendments to Resolution.** Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Capital Pledge Agreement as provided therein.

**Section 6. Authorization to Execute Other Documents and Instruments.** Any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District shall, and they are hereby authorized and directed, to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of all documents and certificates necessary or desirable to effectuate the entering into of the District Documents

and the performance by the District of its obligations thereunder, and such certificates, documents, instruments, and affidavits as may be reasonably required by Bond Counsel, the Trustee, or District Counsel. The execution by any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District of any document not inconsistent herewith shall be conclusive proof of the approval by District of the terms thereof.

**Section 7. Appointment of District Representative.** Matthew Hopper, the District's President, is hereby appointed as the District Representative, and Carla Ferreira, the District's Vice President, is hereby appointed as an alternate District Representative. One or more different or additional District Representatives may from time to time be designated by a resolution adopted by the District Board with a copy of such resolution or, in lieu thereof, a written certificate signed by the President of the District, furnished to the Trustee. Any alternate or alternates may also be designated as such therein.

**Section 8. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the ATEC No. 1 Pledged Revenue (as defined in the Capital Pledge Agreement) pledged under the Capital Pledge Agreement to secure or pay the Payment Obligations shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Resolution, and the Capital Pledge Agreement. The ATEC No. 1 Pledged Revenue collected pursuant to the Capital Pledge Agreement and pledged for the payment of the Payment Obligations, as received by or otherwise credited to the Authority or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the ATEC No. 1 Pledged Revenue and the obligation to perform the contractual provisions made in the Capital Pledge Agreement shall have priority over any or all other obligations and liabilities of the District. 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 the District irrespective of whether such persons have notice of such liens.

**Section 9. Costs and Expenses.** All costs and expenses incurred in connection with the Capital Pledge Agreement, this Resolution and the transactions contemplated thereunder and hereunder shall be paid from proceeds of the Payment Obligations or from legally available moneys of the District and/or the Authority or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 10. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the District Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent in connection with its obligations under the District Documents. Such recourse shall not be available either directly or indirectly through the District Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Payment Obligations and as part of the consideration of their sale or purchase, any person purchasing or selling such Payment Obligations specifically waives any such recourse.

**Section 11. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Capital Pledge Agreement shall contain a recital that it is entered into pursuant to certain provisions of the Supplemental Public Securities 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 shall not apply to the Capital Pledge Agreement and the Payment Obligations of the District thereunder. Such recital shall be conclusive evidence of the validity and the regularity of the Capital Pledge Agreement after its delivery.

**Section 12. Limitation of Actions.** Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or execution and delivery of any of the District Documents in connection with the issuance of the Payment Obligations shall be commenced more than thirty days after the effective date of this Resolution.

**Section 13. Ratification and Approval of Prior Actions.** All actions heretofore taken by the officers of the District and the members of the District Board, not inconsistent with the provisions of this Resolution, relating to the execution and delivery of the District Documents and the consummation of the transactions contemplated thereunder are hereby ratified, approved, and confirmed.

**Section 14. Resolution Irrepealable.** After the District Documents have been executed and delivered, this Resolution shall be and remain irrepealable until such time as the Capital Pledge Agreement shall have been fully discharged pursuant to the terms thereof.

**Section 15. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 16. Severability.** If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

**Section 17. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.

APPROVED AND ADOPTED by the Board of Directors of ATEC Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado, on the 10th day of April, 2020.

**ATEC METROPOLITAN DISTRICT NO. 1**

[SEAL]

By \_\_\_\_\_  
President

ATTEST:

By \_\_\_\_\_  
Assistant Secretary

[Signature page to the District Resolution]



Thereupon, Director [\_\_\_\_\_] moved for the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director [\_\_\_\_\_] , put to a vote, and carried on the following recorded vote:

Those voting AYE:

*[All present]*

Those voting NAY:

*[None]*

Those abstaining:

*[None]*

Those absent:

*[\_\_\_\_\_]*

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and directed the Assistant Secretary to duly and properly enter the foregoing proceedings and Resolution upon the minutes of the District Board.

STATE OF COLORADO )  
COUNTY OF ADAMS ) ss.  
CITY OF AURORA )  
ATEC METROPOLITAN DISTRICT NO. 1)

I, \_\_\_\_\_, Assistant Secretary of ATEC Metropolitan District No. 1, in the City of Aurora, Adams County, Colorado (the "District"), do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 12 inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of the District (the "District Board") relating to the adoption of a resolution authorizing the District to enter into a Capital Pledge Agreement, Mill Levy Policy Agreement, Establishment Agreement, PILOT Covenant, and other financing documents in connection with issuance by The Aurora Highlands Community Authority Board (the "Authority") of its Special Tax Revenue Draw-Down Bonds, Series 2020A, Subordinate Special Tax Revenue Draw-Down Bonds, Series 2020B and any other Additional Obligations that may be issued by the Authority in the future on behalf of the District pursuant to Additional Obligation Documents collectively in a combined maximum aggregate principal amount of up to \$4,000,000,000, adopted at a special meeting of the District Board held at The Aurora Highlands Construction Trailer, 4271 North Gun Club Road, Aurora, Colorado 80019, on Friday, the 10th day of April, 2020 at 1:00 p.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted prior to the meeting in accordance with applicable law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 10th day of April, 2020.

\_\_\_\_\_  
Assistant Secretary

SEAL

[Certification Page to the District Resolution]

**CERTIFIED RECORD**  
**OF**  
**PROCEEDINGS OF**  
**THE BOARD OF DIRECTORS**  
**OF**  
**ATEC METROPOLITAN DISTRICT NO. 2**  
**In the City of Aurora**  
**Adams County, Colorado**

Relating to a Resolution authorizing a  
**Capital Pledge Agreement and other matters**

Adopted on April 10, 2020

*This cover page is not a part of the following resolution and is included solely for the convenience of the reader.*

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(Attach copy of notice of meeting, as posted)



## RESOLUTION

**A RESOLUTION OF THE BOARD OF DIRECTORS OF ATEC METROPOLITAN DISTRICT NO. 2 (THE “DISTRICT”) AUTHORIZING THE DISTRICT TO ENTER INTO A CAPITAL PLEDGE AGREEMENT WITH THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD (THE “AUTHORITY”) AND ZIONS BANCORPORATION, NATIONAL ASSOCIATION RELATING TO THE AUTHORITY’S SPECIAL TAX REVENUE DRAW-DOWN BONDS, SERIES 2020A (THE “SERIES 2020A BONDS”), SUBORDINATE SPECIAL TAX REVENUE DRAW-DOWN BONDS, SERIES 2020B (THE “SUBORDINATE SERIES 2020B BONDS” AND TOGETHER WITH THE SERIES 2020A BONDS, THE “BONDS”) AND ANY OTHER ADDITIONAL OBLIGATIONS THAT MAY BE ISSUED BY THE AUTHORITY IN THE FUTURE ON BEHALF OF THE DISTRICT PURSUANT TO ADDITIONAL OBLIGATION DOCUMENTS COLLECTIVELY IN A COMBINED MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF UP TO \$4,000,000,000 (COLLECTIVELY, THE “PAYMENT OBLIGATIONS”); AUTHORIZING THE DISTRICT TO ENTER INTO A MILL LEVY POLICY AGREEMENT, ESTABLISHMENT AGREEMENT, A PILOT COVENANT AND OTHER FINANCING DOCUMENTS RELATING TO THE PAYMENT OBLIGATIONS; APPROVING THE FORM OF SUCH CAPITAL PLEDGE AGREEMENT, MILL LEVY POLICY AGREEMENT, ESTABLISHMENT AGREEMENT, PILOT COVENANT AND OTHER FINANCING DOCUMENTS; AUTHORIZING THE EXECUTION AND DELIVERY THEREOF AND OF OTHER DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS IN CONNECTION WITH THE FOREGOING; AUTHORIZING INCIDENTAL ACTION; REPEALING PRIOR INCONSISTENT ACTIONS; AND SETTING FORTH THE EFFECTIVE DATE HEREOF.**

WHEREAS, capitalized terms used and not otherwise defined in the recitals hereof shall have the meanings set forth in Section 1 below; and

WHEREAS, ATEC Metropolitan District No. 2 (the “District”) is a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32, Article 1, C.R.S. (the “Act”); and

WHEREAS, the District is 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, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission in accordance with the Service Plan for the District that was approved by the City Council of the City of Aurora, Colorado (the “City”) on August 6, 2018 (the “Service Plan”);

WHEREAS, the Service Plan has been prepared for the District pursuant to Sections 32-1-201, Colorado Revised Statutes et seq., and all required governmental approvals have been obtained therefor; and

WHEREAS, in accordance with Part 1 of the Special District Act and the Service Plan, the purpose for which the District was formed include the provision of, among other things, street improvement, traffic and safety, water, sanitation, parks and recreation, transportation, mosquito control, fire protection, security, and television relay and transmission (the “Public Improvements”); and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, Colorado Revised Statutes, as amended (“C.R.S.”), the District, the other Financing Districts (as hereinafter defined) and The Aurora Highlands Community Authority Board (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 hereinafter defined CABEA) may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the Act further provides that any such contract among the Authority, the District and the other Financing Districts may be entered into any for any period, notwithstanding any provision of law limiting the length of any financial contracts or obligations of governments such as the Authority, the District and the other Financing Districts;

WHEREAS, the District together with ATEC Metropolitan District No. 1 (“ATEC No. 1”), The Aurora Highlands Metropolitan District No. 1 (“District No. 1”), The Aurora Highlands Metropolitan District No. 2 (“District No. 2”), The Aurora Highlands District No. 3 (“District No. 3”), and the Aerotropolis Area Coordinating Metropolitan District (the “Coordinating District” and, together with the District, ATEC No. 1, District No. 1, District No. 2, and District No. 3, the “Financing Districts”) have entered into that certain The Aurora Highlands Community Authority Board Establishment Agreement, dated as of November 21, 2019, as supplemented and amended by the First Amended and Restated The Aurora Highlands Community Authority Board Establishment Agreement, dated as of April 10, 2020 (collectively, the “CABEA”), for the purpose of creating the Authority in order to allow the Financing Districts the ability to achieve efficiencies in coordinating the designing, planning, construction, acquisition, financing, operating, and maintaining of the Public Improvements necessary for The Aurora Highlands Development (as hereinafter defined); and

WHEREAS, under the Service Plan 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 Public Improvements necessary to serve development (including The Aurora Highlands Development) within the Financing Districts, which is generally anticipated to consist of residential development in the District; and

WHEREAS, the Authority and the Financing Districts envision a Public Improvements financing plan to issue Bonds and other Additional Obligations (both as hereinafter defined) with respect to The Aurora Highlands Development over a term of years consistent with the term of the ATEC No. 2 Commercial Capital Pledge Agreement (the “Capital Pledge Agreement”) to be dated on or about April 16, 2020, by and among the Authority, the District and Zions Bancorporation National Association, in its capacity as trustee (the “Trustee”) under that certain Indenture of Trust, to be dated on or about April 16, 2020 (the “Senior Indenture”) and that certain Indenture of Trust (Subordinate), to be dated on or about April 16, 2020 (the

“Subordinate Indenture” and, together with the Series 2020A Indenture, the “Indentures”), to be entered into with the Authority (the “Long Term Capital Improvements Plan”); and

WHEREAS, the District was organized with the approval of the City, and with the approval of its electors, such approval fully contemplating cooperation among the District, the Authority and the other Financing Districts as provided in the Capital Pledge Agreement, in the Service Plan and the CABEA to effectuate the Long Term Capital Improvements Plan; and

WHEREAS, as contemplated by the Service Plan, the District entered into an Intergovernmental Agreement with the City on November 21, 2019 (the “City IGA”); and

WHEREAS, the District and the Authority have determined that the Public Improvements anticipated to be financed pursuant to a Long Term Capital Improvements Plan are generally contemplated by the Service Plan, the City IGA, and the CABEA; are needed; and, due to the nature of the Public Improvements and proximity and interrelatedness of the development anticipated to occur within the boundaries of the Authority, will benefit the residents, property owners and taxpayers in the District; and

WHEREAS, Aurora Highlands, LLC, a Nevada limited liability company, is the developer (the “Developer”) of the community located in the service area of the Authority, in the City of Aurora, Adams County, Colorado, and commonly known as The Aurora Highlands (the “The Aurora Highlands Development”), has constructed certain Public Improvements within or otherwise serving the residents, property owners and taxpayers of the Financing Districts and the Authority and is anticipated to construct and/or cause other developers to construct additional Public Improvements within or otherwise serving the residents, property owners and taxpayers of the Financing Districts and the Authority; and

WHEREAS, the Board of Directors of the Authority (the “Board of the Authority”) and the Board of Directors of each of the Financing Districts have determined that it is necessary to pay or reimburse the Developer for the costs of acquiring, constructing and installing the Public Improvements over the course of effectuating the Long Term Capital Improvements Plan, the debt for which was approved by the Election (as hereinafter defined) (the “Project”); and

WHEREAS, at an election of the qualified electors of the District duly called for and held on November 5, 2019 (the “Election”), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at each such election voted in favor of, *inter alia*, the issuance of debt and the 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 to the Capital Pledge Agreement); and

WHEREAS, the returns of the Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district 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 each Election; and



WHEREAS, the District now desires to facilitate the issuance of indebtedness by the Authority secured by ad valorem property taxes of the Financing Districts for the purpose of financing the Project; and

WHEREAS, for the purpose of financing certain of the costs of the Project, the Board of Directors of the Authority has determined to initially issue, on behalf of the Financing Districts, its (a) Special Tax Revenue Draw-Down Bonds, Series 2020A (the “Series 2020A Bonds”) pursuant to the Senior Indenture and (b) Subordinate Special Tax Revenue Draw-Down Bonds, Series 2020B (the “Subordinate Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”) pursuant to the Subordinate Indenture; and

WHEREAS, it is anticipated that the Authority shall issue Additional Obligations (as hereinafter defined) on behalf the Financing Districts from time to time in order to finance additional costs of the Project; and

WHEREAS, the District has determined that the execution of the Capital Pledge Agreement and the issuance of the Bonds and Additional Obligations (collectively, “Payment Obligations”) for the purpose of financing the Project are in the best interests of the District and the residents, property owners, and taxpayers thereof; and

WHEREAS, in order to provide for the payment of the Payment Obligations that may be issued by the Authority in the future on behalf of the District to finance the Project, the District Board determined and hereby determines that the District shall, by the terms of the Capital Pledge Agreement, pledge certain revenues (referred to therein as the ATEC No. 2 Pledged Revenue) to the Authority for the payment of the Payment Obligations, and shall covenant to take certain actions with respect to generating such revenues, for the benefit of the owners of the Payment Obligations; and

WHEREAS, the Authority has also entered into certain other capital pledge agreements with the other Financing Districts to further secure repayment of the Payment Obligations; and

WHEREAS, the Capital Pledge Agreement shall be entered into pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., the Service Plan and all other laws thereunto enabling; and

WHEREAS, the District Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), to the Capital Pledge Agreement 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 the Capital Pledge Agreement and the Payment Obligations of the District; and

WHEREAS, the obligation of the District to pay the Financing Costs with respect to the Payment Obligations secured under the Capital Pledge Agreement shall be a multiple fiscal year obligation of the District payable solely from and to the extent of the ATEC No. 2 Pledged Revenue, which ATEC No. 2 Pledged Revenue shall be remitted by the District to the Trustee under the Indentures and Additional Obligation Documents (as hereinafter defined) in order to secure repayment of the Payment Obligations as set forth in the Capital Pledge Agreement; and

WHEREAS, the Bonds shall be issued to “accredited investors” within the meaning of Rule 501(A) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, any other Additional Obligations issued by the Authority on behalf of the District under the Capital Pledge Agreement will be issued either in denominations of not less than \$500,000 each or to “accredited investors” as that term is defined in Section 11-59-110(1)(g) C.R.S., unless an exemption from the registration requirements of the Colorado Municipal Bond Supervision Act, or any successor statute, is otherwise available; and

WHEREAS, pursuant to the provisions of Section 32-1-1101(6)(a)(VI), C.R.S., the Bonds will be issued only to a “financial institution or institutional investor” as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, any other Additional Obligations issued by the Authority on behalf of the District under the Capital Pledge Agreement will initially be issued only to a “financial institution or institutional investor” as such terms are defined in Section 32-1-103(6.5), C.R.S. or will constitute a refunding or restructuring contemplated by Section 32-1-1101(6)(b), C.R.S.; and

WHEREAS, based upon the anticipated uses of the proceeds of the Bonds and other Additional Obligations which may be issued under the Capital Pledge Agreement, the District Board has determined to allocate the principal amount of the Bonds for which voted authorization is needed and all Additional Obligations issued and secured under the Capital Pledge Agreement to the District’s electoral authorization under the Election as more particularly provided in the recitals of the Capital Pledge Agreement; and

WHEREAS, after consideration, the District Board has determined that entering into the Capital Pledge Agreement to support repayment of the Payment Obligations on the terms and conditions set forth in the Capital Pledge Agreement and the related District Documents (as hereinafter defined) is in the best interests of the District, the taxpayers thereof, and hereby determines that it was and is necessary to enter into the Capital Pledge Agreement and to remit the ATEC No. 2 Pledged Revenue to the Trustee under the Indentures and Additional Obligation Documents or as otherwise directed by the Authority; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the members of the District Board were disclosed to the Colorado Secretary of State and to the District Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate District Board members have made disclosure of their personal and private interests relating to the Capital Pledge Agreement in writing to the Secretary of State and the District Board; finally, the District Board members having such interests have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those District Board members is necessary to obtain a quorum or otherwise enable the District Board to act; and

WHEREAS, there has been presented at or prior to this meeting of the District Board substantially final drafts of the District Documents; and

WHEREAS, the District Board desires to authorize the execution and delivery of the District Documents and the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ATEC METROPOLITAN DISTRICT NO. 2, IN THE CITY OF AURORA, ADAMS COUNTY, COLORADO:

**Section 1. Definitions.** The following capitalized terms shall have the respective meanings set forth below:

“*Act*” has the meaning set forth in the recitals hereof.

“*Additional Obligations*” has the meaning set forth in the Capital Pledge Agreement.

“*Additional Obligation Documents*” has the meaning set forth in the Capital Pledge Agreement.

“*ATEC No. 1*” has the meaning set forth in the recitals hereof.

“*ATEC No. 2 Pledged Revenue*” has the meaning set forth in the Capital Pledge Agreement.

“*Authority*” has the meaning set forth in the recitals hereof.

“*Board of the Authority*” has the meaning set forth in the recitals hereof.

“*Bond Counsel*” means Kutak Rock LLP, Denver, Colorado.

“*Bond Resolution*” means the resolution adopted by the Authority which authorizes the issuance of the Bonds and other, related financing documents as more particularly described therein.

“*Bonds*” means the Series 2020A Bonds and Subordinate Series 2020B Bonds.

“*CABEA*” has the meaning set forth in the recitals hereof.

“*Capital Pledge Agreement*” or “*Pledge Agreement*” means the Capital Pledge Agreement dated on or about April 16, 2020, by and among the District, the Authority and the Trustee.

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

“*Coordinating District*” has the meaning set forth in the recitals hereof.

“*Developer*” means Aurora Highlands, LLC, a Nevada limited liability company

*“District”* has the meaning set forth in the recitals hereof.

*“District Board”* has the meaning set forth in the recitals hereof.

*“District Counsel”* means McGeady Becher P.C., Denver, Colorado.

*“District Documents”* means, collectively, the Capital Pledge Agreement, the Mill Levy Policy Agreement, the PILOT Covenant, the CABEA and this Resolution.

*“District No. 1”* has the meaning set forth in the recitals hereof.

*“District No. 2”* has the meaning set forth in the recitals hereof.

*“District No. 3”* has the meaning set forth in the recitals hereof.

*“District Representative”* means the person or persons at the time designated to act on behalf of the District as provided in this Resolution or as may from time to time be designated by a resolution adopted by the District Board with a copy of such resolution or, in lieu thereof, a written certificate signed by the President of the District, provided to the Trustee.

*“Election”* has the meaning set forth in the recitals hereof.

*“Financing Districts”* means, collectively, the District, ATEC No. 1, District No. 1, District No. 2, District No. 3 and the Coordinating District.

*“Indentures”* means, collectively, the Senior Indenture and the Subordinate Indenture.

*“Long Term Capital Improvements Plan”* has the meaning set forth in the recitals hereof.

*“Mill Levy Policy Agreement”* means that certain Mill Levy Policy Agreement, dated April 16, 2020, by and among the Authority, the Coordinating District, the District, District No. 1, District No. 2, District No. 3, and ATEC No. 1.

*“Payment Obligations”* means, collectively, the Bonds and Additional Obligations.

*“PILOT Covenant”* has the meaning set forth in the Capital Pledge Agreement.

*“Project”* has the meaning set forth in the recitals hereof.

*“Public Improvements”* has the meaning set forth in the recitals hereof.

*“Resolution”* means this resolution which authorizes the execution, delivery, and performance of the District Documents by the District and execution and delivery of the other documents and instruments in connection therewith.

*“Senior Indenture”* has the meaning set forth in the recitals hereof.

*“Series 2020A Bonds”* has the meaning set forth in the recitals hereof.

*“Service Plan”* has the meaning set forth in the recitals hereof.

*“Subordinate Indenture”* has the meaning set forth in the recitals hereof.

*“Subordinate Series 2020B Bonds”* has the meaning set forth in the recitals hereof.

*“Supplemental Public Securities Act”* has the meaning set forth in Section 3(b) hereof.

*“The Aurora Highlands Development”* has the meaning set forth in the recitals hereof.

*“Trustee”* means (a) with respect to the Bonds, Zions Bancorporation National Association, Denver, Colorado, and its successors, and (b) with respect to Additional Obligations, the entity designated to act as trustee under the related Additional Obligation Documents or any successor entity appointed, qualified, and acting as trustee, paying agent and bond registrar under the provisions of the related Additional Obligation Documents.

**Section 2. District Documents: Approval, Authorization, and Amendment.** The District Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the District Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith. The President, Vice President and the Treasurer of the District are each hereby authorized and directed to execute and deliver the District Documents and the Treasurer or Assistant Secretaries of the District are each hereby authorized and directed to attest the District Documents and to affix the seal of the District thereto, and any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District are further authorized to execute, deliver and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to effect the transactions contemplated under the District Documents. The District Documents are to be executed in substantially the form presented at or prior to this meeting of the District Board, provided that such documents may be completed, corrected, or revised as deemed necessary or convenient and approved by District Counsel in order to carry out the purposes of this Resolution and such approval by District Counsel shall be deemed approval by the District Board; provided, however, that District Counsel shall consult with a representative of the District in connection with such approval. To the extent any District Document has been executed prior to the date hereof, then said execution is hereby ratified and affirmed. Copies of all of the District Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the District Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the District Documents and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any District Document by any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Findings and Declarations of the District Board.** The District Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, and declares as follows:

(a) ***Allocation of Voted Authorization.*** The District Board hereby determines to allocate voted authorization obtained at the Elections to the Capital Pledge Agreement as set forth therein.

(b) ***Election to Apply Supplemental Public Securities Act.*** The District Board specifically elects to apply the provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), to the Capital Pledge Agreement and its pledge of revenues thereunder, 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 the Capital Pledge Agreement and the Payment Obligations of the District.

**Section 4. Authorization.** In accordance with the Constitution of the State of Colorado; Title 32, Article 1, Parts 11 and 13, C.R.S.; the Supplemental Public Securities 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 shall not apply to the Capital Pledge Agreement and the Payment Obligation of the District thereunder); the Election, and all other laws of the State of Colorado thereunto enabling, the District shall enter into the Capital Pledge Agreement in order to secure the Payment Obligations thereunder in a maximum aggregate principal amount of up to \$4,000,000,000 and the other District Documents for the purposes set forth therein. The obligation of the District to pay the Financing Costs with respect to the Payment Obligations secured under the Capital Pledge Agreement shall be a multiple fiscal year obligation of the District payable solely from and to the extent of the ATEC No. 2 Pledged Revenue, which ATEC No. 2 Pledged Revenue shall be remitted by the District to the Trustee under the Indentures and Additional Obligation Documents in order to secure repayment of the Payment Obligations as set forth in the Capital Pledge Agreement.

**Section 5. Permitted Amendments to Resolution.** Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Capital Pledge Agreement as provided therein.

**Section 6. Authorization to Execute Other Documents and Instruments.** Any one of the President, Vice President, Treasurer, or Assistant Secretaries of the District shall, and they are hereby authorized and directed, to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of all documents and certificates necessary or desirable to effectuate the entering into of the District Documents and the performance by the District of its obligations thereunder, and such certificates, documents, instruments, and affidavits as may be reasonably required by Bond Counsel, the Trustee, or District Counsel. The execution by any one of the President, Vice President,

Treasurer, or Assistant Secretaries of the District of any document not inconsistent herewith shall be conclusive proof of the approval by District of the terms thereof.

**Section 7. Appointment of District Representative.** Matthew Hopper, the District's President, is hereby appointed as the District Representative, and Carla Ferreira, the District's Vice President, is hereby appointed as an alternate District Representative. One or more different or additional District Representatives may from time to time be designated by a resolution adopted by the District Board with a copy of such resolution or, in lieu thereof, a written certificate signed by the President of the District, furnished to the Trustee. Any alternate or alternates may also be designated as such therein.

**Section 8. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the ATEC No. 2 Pledged Revenue (as defined in the Capital Pledge Agreement) pledged under the Capital Pledge Agreement to secure or pay the Payment Obligations shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Resolution, and the Capital Pledge Agreement. The ATEC No. 2 Pledged Revenue collected pursuant to the Capital Pledge Agreement and pledged for the payment of the Payment Obligations, as received by or otherwise credited to the Authority or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the ATEC No. 2 Pledged Revenue and the obligation to perform the contractual provisions made in the Capital Pledge Agreement shall have priority over any or all other obligations and liabilities of the District. 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 the District irrespective of whether such persons have notice of such liens.

**Section 9. Costs and Expenses.** All costs and expenses incurred in connection with the Capital Pledge Agreement, this Resolution and the transactions contemplated thereunder and hereunder shall be paid from proceeds of the Payment Obligations or from legally available moneys of the District and/or the Authority or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 10. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the District Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent in connection with its obligations under the District Documents. Such recourse shall not be available either directly or indirectly through the District Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Payment Obligations and as part of the consideration of their sale or purchase, any person purchasing or selling such Payment Obligations specifically waives any such recourse.

**Section 11. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Capital Pledge Agreement shall contain a recital that it is entered into pursuant to certain provisions of the Supplemental Public Securities 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 shall not apply to the Capital Pledge Agreement and the

Payment Obligations of the District thereunder. Such recital shall be conclusive evidence of the validity and the regularity of the Capital Pledge Agreement after its delivery.

**Section 12. Limitation of Actions.** Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or execution and delivery of any of the District Documents in connection with the issuance of the Payment Obligations shall be commenced more than thirty days after the effective date of this Resolution.

**Section 13. Ratification and Approval of Prior Actions.** All actions heretofore taken by the officers of the District and the members of the District Board, not inconsistent with the provisions of this Resolution, relating to the execution and delivery of the District Documents and the consummation of the transactions contemplated thereunder are hereby ratified, approved, and confirmed.

**Section 14. Resolution Irrepealable.** After the District Documents have been executed and delivered, this Resolution shall be and remain irrepealable until such time as the Capital Pledge Agreement shall have been fully discharged pursuant to the terms thereof.

**Section 15. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 16. Severability.** If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

**Section 17. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.



APPROVED AND ADOPTED by the Board of Directors of ATEC Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado, on the 10th day of April, 2020.

**ATEC METROPOLITAN DISTRICT NO. 2**

[SEAL]

By \_\_\_\_\_  
President

ATTEST:

By \_\_\_\_\_  
Assistant Secretary

[Signature page to the District Resolution]

Thereupon, Director [\_\_\_\_\_] moved for the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director [\_\_\_\_\_] , put to a vote, and carried on the following recorded vote:

Those voting AYE:

*[All present]*

Those voting NAY:

*[None]*

Those abstaining:

*[None]*

Those absent:

*[\_\_\_\_\_]*

Thereupon the President, as Chairman of the meeting, declared the Resolution duly adopted and directed the Assistant Secretary to duly and properly enter the foregoing proceedings and Resolution upon the minutes of the District Board.

STATE OF COLORADO )  
COUNTY OF ADAMS ) ss.  
CITY OF AURORA )  
ATEC METROPOLITAN DISTRICT NO. 2)

I, \_\_\_\_\_, Assistant Secretary of ATEC Metropolitan District No. 2, in the City of Aurora, Adams County, Colorado (the "District"), do hereby certify that the foregoing pages numbered (i) through (iii) and 1 through 12 inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of the District (the "District Board") relating to the adoption of a resolution authorizing the District to enter into a Capital Pledge Agreement, Mill Levy Policy Agreement, Establishment Agreement, PILOT Covenant, and other financing documents in connection with issuance by The Aurora Highlands Community Authority Board (the "Authority") of its Special Tax Revenue Draw-Down Bonds, Series 2020A, Subordinate Special Tax Revenue Draw-Down Bonds, Series 2020B and any other Additional Obligations that may be issued by the Authority in the future on behalf of the District pursuant to Additional Obligation Documents collectively in a combined maximum aggregate principal amount of up to \$4,000,000,000, adopted at a special meeting of the District Board held at The Aurora Highlands Construction Trailer, 4271 North Gun Club Road, Aurora, Colorado 80019, on Friday, the 10th day of April, 2020 at 1:00 p.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting, in the form herein set forth at page (i), was posted prior to the meeting in accordance with applicable law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 10th day of April, 2020.

\_\_\_\_\_  
Assistant Secretary

SEAL

[Certification Page to the District Resolution]