

**ANNUAL INFORMATION REPORT**  
**for the year ended December 31, 2021**  
**ATEC METROPOLITAN DISTRICT NO. 2**  
**(THE “DISTRICT”)**

**CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO**

Pursuant to the requirements of Section VIII of the District's Amended and Restated Service Plan, the District is required to provide an annual report to the City of Aurora (the “City”) with regards to the following matters:

- (1) **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year:** There were no boundary changes in 2021.
- (2) **Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year:** The District entered into the following intergovernmental agreements during 2021:

**Relationship to The Aurora Highlands Community Authority Board.** As of November 21, 2019, and pursuant to The Aurora Highlands Community Authority Board Second Amended and Restated Establishment Agreement, dated April 27, 2022 (the “**CAB**” and the “**Second A/R CABEA**,” respectively), the CAB has been organized to, *inter alia*, (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 District, ATEC Metropolitan District No. 1 (“**ATEC 1**” and collectively with the District, the “**ATEC Districts**”), Aerotropolis Area Coordinating Metropolitan District (“**AACMD**”), The Aurora Highlands Metropolitan District Nos. 1, 2 & 3 (collectively “**TAH Nos. 1-3**”), First Creek Ranch Metropolitan District, now known as The Aurora Highlands Metropolitan District No. 6 (“**TAH No. 6**”, and together with the District, ATEC 1, AACMD and TAH Nos. 1-3, the “**CAB Districts**”) on behalf of the CAB Districts, including covenant enforcement and design review services. Pursuant to the Second A/R CABEA, the CAB has (i) entered into intergovernmental agreements with other governmental entities, (ii) adopted rules and regulations, (iii) conducted an audit, and (iv) issued debt to facilitate the construction of public improvements.

On December 22, 2021, the CAB issued its Special Tax Revenue Refunding and Improvement Bonds, Series 2021A (the “**2021A Bonds**”) and its Subordinate Special Tax Revenue Draw Down Bonds, Series 2021B (the “**2021B Bonds**” and, together with the 2021A Bonds, the “**CAB Bonds**”) for the purpose of (a) refunding debt previously issued by the CAB, paying or reimbursing for the costs of public improvements, and (c) paying the costs of issuing the CAB Bonds. The CAB Bonds, which rely on and are allocated against the debt authority of the CAB Districts, are secured, in part, by a pledge of revenues from certain of the CAB districts. The issuance of the CAB Bonds is reflected in the CAB’s 2021 Audit, which is attached to this Annual Report.

**Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levies.** On October 12, 2021, the District, AACMD, ATEC 1 and the Aerotropolis Regional Transportation Authority (“**ARTA**”) entered into an Intergovernmental Agreement to set

forth the parties' understanding regarding the process by which the ATEC Districts will impose, collect and transfer to ARTA the ATEC Districts' ARI Mill Levies.

*Amended and Restated Mill Levy Allocation Policy Agreement.* On December 22, 2021, the District, AACMD, the CAB, TAH Nos. 1-3 and ATEC 2 entered into the Agreement to evidence the mutual benefits enjoyed by the parties from the the provision, operation and maintenance of the Public Improvements (as defined in the Amended and Restated Mill Levy Policy Agreement) and the obligations of the District, AACMD, TAH Nos. 1-3 and ATEC 2 to impose and collect required debt service mill levies to ensure the timely repayment of the CAB's Series 2021A and 2021B Bonds.

*Revenue Pledge Agreement (ATEC No. 2).* On December 22, 2021, the District and the CAB entered into a Revenue Pledge Agreement for the purpose of setting forth the terms under which the District is obligated to impose a debt service mill levy and pledge the revenues derived therefrom to the payment of the CAB's Series 2021 Bonds.

- (3) **Copies of the District's rules and regulations, if any as of December 31 of the prior year:** Pursuant to the A/R CABEA, the District has authorized the CAB to undertake covenant enforcement and design review services required under the Master Declaration of Covenants, Conditions, and Restrictions for The Aurora Highlands and other rules and regulations that may be adopted from time to time within the District's boundaries. As of August 2020 (revised June 2022) the CAB has adopted The Aurora Highlands Homeowner Handbook, Design Guidelines, Rules and Regulations, which are attached hereto as **Exhibit A**.
- (4) **A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:** There is no litigation, pending or threatened, against the District of which we are aware.
- (5) **Status of the District's construction of the Public Improvements as of December 31 of the prior year:** The District did not directly construct any Public Improvements in 2021, however, the District is a party to certain Agreements pursuant to which it is responsible, together with TAH 1-3 and ATEC 1, for the funding of certain improvements constructed by the AACMD, in its capacity as the Program Manager for ARTA and as the coordinator for construction projects for the CAB, of which the CAB Districts are members, in 2021. There were no Public Improvements constructed within the District boundaries during 2021.
- (6) **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year:** No facilities or improvements were dedicated to or accepted by the City during the reporting period.
- (7) **The assessed valuation of the District for the current year:** A copy of the 2021 certification of assessed valuation from Adams County is attached hereto as **Exhibit B**.
- (8) **Current year budget including a description of the Public Improvements to be constructed in such year:** Copies of the 2022 Budgets for the District and the CAB are attached hereto as **Exhibit C**.

- (9) **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:** The District was exempt from an audit for the year ending December 31, 2021. A copy of the District's 2021 Application for Exemption from Audit and the CAB 's 2021 Audit are attached hereto as **Exhibit D**.
- (10) **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:** There were no uncured events of default during the reporting period.
- (11) **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:** There were no instances of the District's inability to pay its obligations during the reporting period.

**EXHIBIT A**  
**The Aurora Highlands Homeowner Handbook, Design Guidelines, Rules and Regulations**



## **Homeowner Handbook**

**Design Guidelines**

**Rules and Regulations**

**Revised 06/01/2022**

THE CAB RESERVES THE RIGHT TO MODIFY THESE RULES AND REGULATIONS AND THE POLICIES THEREIN AT ANY TIME IN ITS SOLE DISCRETION. PLEASE CONTACT THE MANAGEMENT COMPANY (CONTACT INFORMATION ON PAGE 6) TO BE CERTAIN OF THE LATEST VERSION OF THIS DOCUMENT.

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## *Welcome to The Aurora Highlands*

Welcome to The Aurora Highlands (the “Community”), a one-of-a-kind master planned community located in Aurora, Colorado.

All residents should be aware that The Aurora Highlands Community Authority Board (the “CAB”) is the governing body formed to own, operate, manage, and maintain various CAB Properties and other common areas, to provide services for the benefit of the real property owners in the Community (each an “Owner” or “Homeowner”), and to administer and enforce the Master Declaration (defined below) and other Governing Documents (described therein and summarized below). The CAB is administered by a Board of Directors and assisted by a third-party management company (the “Management Company”).

### **Management Company:**

Timberline District Consulting, LLC  
545 3<sup>rd</sup> Street, Unit 482  
Monument, CO 80132  
T: 303-597-8573

A spirit of cooperation between the CAB, its committees, its contractors and vendors, and all Owners will go far in creating an optimum environment for the Community to thrive. Compliance with these Guidelines and the provisions of the Master Declaration will help preserve the inherent architectural and aesthetic quality of the Community. Please note that capitalized terms used, but not otherwise defined in these Guidelines will have the same definition given to such terms in the Master Declaration.

THE CAB RESERVES THE RIGHT TO MODIFY THESE RULES AND REGULATIONS AND THE POLICIES THEREIN AT ANY TIME IN ITS SOLE DISCRETION. HOMEOWNERS MUST CONTACT THE MANAGEMENT COMPANY TO ENSURE THEY HAVE THE LATEST VERSION.

This Handbook includes:

- An Overview of the Community Governance
- General Rules and Regulations concerning improvements or modifications to lots, including landscaping Improvements and the design review process
- The submittal process for architectural or landscaping changes to residential Lots
- A listing of specific Rules and Regulations applicable to Homeowners
- Parks and Open Space Rules and Regulations
- An Overview of the Covenant Enforcement Process

This Handbook and other resources are available on The Aurora Highlands website:

<https://theaurorahighlands.specialdistrict.net/>

## *An Overview of the Community Governance*

The Community is governed by various documents including, but not limited to:

- The Master Declaration of Covenants, Conditions and Restrictions for The Aurora Highlands recorded in the Office of the Clerk and Recorder of Adams County on February 3, 2020, at Reception No. 2020000010483 (as may be amended or supplemented from time to time (the “Master Declaration”));
- The First Amended and Restated Establishment Agreement for the Aurora Highlands Community Authority Board, approved and executed on April 16, 2020.
- This document, The Aurora Highlands Homeowner Handbook: Rules and Regulations, Amended June 1, 2022.

Owners should review the documents described above, as well as any other policies, amendments, and other materials available through the CAB’s Management Company, collectively the “Governing Documents.” In the event that any of the above-referenced documents conflict with the Master Declaration, the terms and conditions of the Master Declaration shall control.

The CAB (and/or its committees) are responsible for:

- **Design review**
- **Covenant enforcement services within the Community**
- **Maintenance of CAB Properties certain open space areas, and recreation facilities**
- **Maintenance of entry monuments and perimeter fences**
- **Hosting certain Community social events**
- **Trash/recycling services.** Trash and recycling services will be provided by the CAB.

The CAB is NOT responsible for:

- **Maintenance and snow removal on public streets.** Unless otherwise described herein, all streets within the community are public streets owned and maintained by the City of Aurora.
- **Maintenance of any home or privately-owned Lot.** This is the responsibility of each Homeowner. However, the CAB retains certain rights and remedies as described in the Governing Documents.
- **Intervening in matters of civil law such as boundary or drainage disputes.** Items of this nature might also include roaming animals, abandoned or unauthorized vehicles on public streets, and/or persistent noise problems, where the Aurora Police Department, Aurora Building Division, or other governmental entity will be the appropriate resource to address the matter.

## Article 1. *Improvements to Lots and the Design Review Process*

### 1.1 Overview: Authority and Intent

Article III, Section 3.01 of the Master Declaration requires that no exterior improvements or modifications be undertaken, conducted, constructed, placed, planted, installed, modified, or removed upon any Lot, nor shall any new use be commenced upon any Lot, unless complete Plans and Specifications have been first submitted to, and approved in writing, by the Community Wide Architectural Review Committee (“CARC”) of the CAB, or a committee, or subcommittee appointed by the CAB or the CARC, established for such purpose. CARC approval is required for the Original Improvements constructed, on a Lot, by a Builder. The Master Declaration authorizes the CAB to enforce design standards and guidelines and adopt Rules and Regulations and to interpret and implement the provisions of the Master Declaration. The CAB hereby establishes the residential “Design Review Committee” (“DRC”) to review and consider approval for all subsequent Improvements or modifications to residential Lots proposed by a Homeowner after initial construction of the home by a Builder.

This document, the Homeowner Handbook: Rules and Regulations (the “Rules and Regulations”), shall constitute such residential design standards and guidelines and is intended to assist Owners with basic information about the Community and its design standards, rules, use restrictions and procedures. This document also includes a section on the Rules and Regulations governing activities on CAB Properties, common areas, and open space areas and a section concerning the enforcement process. The CAB intends for these Rules and Regulations to help Homeowners to: (a) identify best practices for improving or modifying their properties, (b) prepare design submittals and receive timely reviews, and (c) assist with enforcement matters.

The intent of these Rules and Regulations and guidelines with respect to landscaping standards is to reflect the overarching landscape themes of The Aurora Highlands, while allowing for individual Homeowners to tailor their yards for individual needs and taste. Individual neighborhoods will be allowed to propose unique twists on the overall themes of The Aurora Highlands. Minimum City of Aurora Standards are still required to be met, but the use of plant material, patios, decks, and other yard elements may be proposed by the individual homeowner. To maintain the common design themes of The Aurora Highlands, limited use of ornamental grasses, street side landscape design, and common fence and other materials will be expected, while also adhering to the City of Aurora planting guidelines: [Sec. 4.7 Landscape, Water Conservation, Storm water Management | Aurora Unified Development Ordinance \(municipal.codes\)](#)

**PLEASE NOTE: ANY IMPROVEMENT OR MODIFICATION INSTALLED WITHOUT APPROVAL IS SUBJECT TO REMOVAL AT THE HOMEOWNER’S SOLE EXPENSE. THE HOMEOWNER MAY ALSO BE SUBJECT TO FINES OR OTHER LEGAL ACTION. ALL APPROVALS MUST BE IN WRITING. ON-SITE PERSONNEL, INCLUDING A SALESPERSON OR CONSTRUCTION SUPERVISOR, DO NOT HAVE AUTHORITY TO APPROVE DRC APPROVAL REQUESTS.**

### 1.2 The Submittal Process: Overview

Although all three stages are not mandatory, the DRC review process for Improvements generally consists of three stages: a pre-design meeting with the DRC, a conceptual design submittal, and a mandatory final

design submittal. While final design submittal is the only mandatory step, final design submittal applications made without prior completion of the pre-design meeting and conceptual design submittal have a significantly increased probability for denial by the DRC. The DRC shall decide each request for approval within 30 days after the complete submission of the application or request, and submission to the DRC of all Plans and Specifications and other materials and information which the DRC may require in conjunction with such application or request. If the DRC fails to decide any application or request within 30 days after the complete submission of the Plans and Specifications and materials and other information with respect thereto, then such application or request for approval shall be deemed to have been denied by the DRC. The DRC may grant variances or adjustments from any conditions and restrictions subject to the limits of Section 3.16 of the Master Declaration and the Rules and Regulations stated herein.

If a request is denied, you may contact the Management Company for more information, or appeal the decision of the DRC to the Appeals Board established by the CAB. Appeals must be submitted in writing through the Management Company within 15 days of denial. The Appeals Board will then set a date for a hearing and notify you as to the time and place. The final authority for determination of appeals is with the Appeals Board.

Planning ahead is required. The DRC strives to respond to requests quickly. However, the DRC normally dispositions requests once per month at irregular intervals and may require up to 30 days after your complete submittal is received, for a decision to be made.

In reviewing any matter, neither the DRC, the CAB, the Appeals Board, nor the Declarant, shall be responsible for the safety, whether structural or otherwise, of any item(s) submitted for review, or conformance with applicable building codes or other governmental laws or regulations, and any approval or conditional approval of an improvement/modification by the DRC, the CAB, the Appeals Board, or the Declarant, shall not be deemed a representation that the same complies with any such codes, laws, or regulations.

### 1.3 Approval Request; Plans and Specifications.

General. Each request for DRC approval (an "Approval Request") at the conceptual design submittal and final design submittal phases shall be accompanied by an appropriate Submittal Form together with the required Plans and Specifications for the proposed Improvement, that show, the design and other characteristics of the proposed Improvement, or modification as are set forth in the applicable Design Guidelines herein, and a review fee as established by the DRC (the "Review Fee"). The DRC will submit a schedule of proposed review fees annually to the CAB for review and approval. The DRC may postpone review of any material submitted until it has received all required or requested Plans and Specifications and other information. The DRC shall notify the Owner in writing upon receipt of all required Plans and Specifications and that the Owner's Approval Request is complete.

### 1.4 Submittal Forms. Use the appropriate Submittal Form, which you can obtain from the Management Company or on The Aurora Highlands website: <https://theaurorahighlands.specialdistrict.net/>

**Architectural Improvements or Modifications:** provide complete Plans and Specifications for the proposed Improvement(s)/Modification, including:

- Plot plan showing the location of the Improvement(s) or modification.
- Dimensions (i.e., height, width, and length), description of materials, and color samples for any

Structures or equipment. Paint samples should be at least 8" x 10". In some cases, the DRC may require a sample of the material for its review. All samples will be provided at the applicant's sole expense.

- Applicant information including name, street address, email address and phone number (and mailing address if different than that of the Lot or Parcel upon which the proposed Improvements will be located).
- The DRC may require additional information depending on the nature of the request.

**Landscaping Improvements:** provide complete Plans and Specifications for the proposed project. These submittals shall follow the City of Aurora minimum requirements. Minimum requirements will be per the entitlement documents for the neighborhood, or the Xeriscape standards found in the City of Aurora Code. [Sec. 4.7 Landscape, Water Conservation, Storm water Management | Aurora Unified Development Ordinance \(municipal.codes\)](#) Use of these minimum requirements are outlined in the Design Guidelines set forth in Article 2, below. It will be the responsibility of the installation contractor or the homeowner to manage the submittal and approval process.

Plans and Specifications for Landscaping Improvements shall include:

- Plot plan showing the location of the Improvement(s).
- Dimensions and location of landscaped areas, description of hardscape materials, identification by species and variety of trees, shrubs, and other plant materials and numbers and location of same, and specifications of any fencing and walls proposed. Additional requirements for specific items are included in the Residential Design Guidelines and Rules and Regulations herein in Article 2.
- Applicant information including name, street address, email address, and phone number (and mailing address if different than that of the Lot or Parcel upon which the proposed Improvements will be located).
- The DRC may require additional information depending on the nature of the request.

All Approval Requests must be submitted in writing by email, or hard copy. When a complete Approval Request is received, the Management Company will forward the request to the DRC, track the Request, and return a written decision to the applicant.

#### 1.5 Review Procedure.

Approval of a majority of the members of the DRC, either at a meeting or in writing, shall be required to approve any Approval Request. If DRC approval is granted subject to conditions, the Owner shall revise its Plans and Specifications to incorporate such changes and shall deliver the required number of complete sets of revised Plans and Specifications (reflecting responses to all items) to the DRC, which shall again be reviewed in accordance with and in the timeframe described in Section 1.2, above.

#### 1.6 Modifications to Approved Plans and Specifications.

Any modification or change to an approved set of Plans and Specifications must again be submitted to the DRC for its approval in the same manner as for initial approval of Plans and Specifications.

#### 1.7 Appeal of DRC Decision.

If the DRC denies any part of the Plans and Specifications submitted (or approves the same subject to

conditions) or denies a request for a variance (as described in Section 1.9 herein), the Owner may, within fifteen (15) days after the DRC's denial, make a written request for a hearing before the Appeals Board, established by the CAB in accordance with the Master Declaration, to reconsider the Plans and Specifications or denial of a variance. A written Request for Hearing must be submitted to the Management Company. Upon receipt of a valid written request for hearing, the Appeals Board shall set a time, date, and place of the hearing, which shall be conducted no later than sixty (60) days after receipt of the Request for Hearing, and so notify the Owner. The Owner or other interested parties may provide testimony at the scheduled hearing. The Appeals Board shall provide the applicant or registrant with written findings and a ruling by written communication, within 15 business days after the completion of the hearing. Any decision rendered by the Appeals Board shall be final.

#### 1.8 Prosecution of Work; Notice of Completion; Notices of Noncompliance.

All work approved by the DRC in an Approval Request must be diligently prosecuted to completion, and a Notice of Completion delivered to the DRC in accordance with and within the time allotted in Article 3 of the Master Declaration. In addition, the DRC shall have the powers to inspect the work and issue Notices of Noncompliance as set forth in the Master Declaration.

#### 1.9 Variances.

Exceptions from the provisions of the Design Guidelines are considered by the DRC on a case- by- case basis for specific applications only and shall not establish a precedent for any other project or future development.

##### (a) Submittal Requirements for a Variance.

- (i) Criteria from which the variance is sought.
- (ii) Identification of the alternative design, improvement, construction technique or material proposed to be used.
- (iii) Supporting documentation including justification for the variance, including how the intent of the criteria is still being achieved, related calculations, details, exhibits, etc.
- (iv) The variance request shall be signed by the owner or design professional.

##### (b) Review Criteria for Variances. A variance may be approved if one or more of the following criteria are met, provided that the no variance shall not impose a detriment or injury to other property or Improvements within the Community, and will not militate against the general intent and purpose of the Design Guidelines and the Master Declaration:

- (i) The standards may be met by an alternative method that is demonstrated to have an equivalent or better function and meet the same objective.
- (ii) Physical constraints exist, such as steep topography or other natural hazards, which limit the ability to install the Improvement or Modification, would limit healthy plant growth, or could cause safety concerns. Site conditions, including geology, topography, indigenous soils, or issues related to water demand, may be

better addressed through the alternative proposal.

- (c) Documentation of a Variance. Variances shall be documented on drawings for construction and inspection purposes, including: the variance number, description of the variance, any conditions of approval, and the approval date.
- (d) Appeals of Denials to the CAB/Appeals Board. If the DRC denies a request for a variance, it shall provide notice thereof within thirty (30) days after such denial. Notice shall include the reason for the action and shall be delivered to the address of record, if no notice is provided within 30 days, the variance request is deemed to be denied. The Owner requesting such variance may appeal such decision to the Appeals Board, pursuant to the procedures set forth in Section 1.7 herein.

## **Article 2. Residential Design Guidelines and Rules and Regulations**

**Please note:** The Residential Design Guidelines (“Design Guidelines”) are a part of the Rules and Regulations for The Aurora Highlands and are subject to modification or amendment from time to time. OWNERS SHOULD REVIEW THESE RESIDENTIAL DESIGN GUIDELINES AND RULES AND REGULATIONS CAREFULLY. THE RESIDENTIAL DESIGN GUIDELINES INCLUDE PROVISIONS RELATING TO DESIGN, CONSTRUCTION AND OPERATION OF INTERIOR, EXTERIOR AND LANDSCAPING IMPROVEMENTS AND RULES AND REGULATIONS REGARDING THE USE OF LOTS.

The following Residential Design Guidelines and Rules and Regulations are not all- inclusive. Questions should be directed to the Management Company. Any requests not specifically addressed below will be reviewed by the DRC on a case-by-case basis. Unless otherwise stated below, the term “approval” refers to DRC approval.

### **Accessory Structures**

- All Accessory Structures (meaning all Structures located on a Lot other than a Residential Structure), including pergolas, gazebos, greenhouses, play equipment, etc., shall be subject to prior DRC approval and will be evaluated on their individual merit, use, location on Lot, and appearance. Two accessory structures are allowed, per lot.
- No Structure of a temporary character, including, but not limited to, a house trailer, shack, storage shed, or outbuilding, shall be placed or erected upon any Lot; provided, however, that during the actual construction, alteration, repair, or remodeling of a Structure or other Improvement, necessary temporary Structures for storage of materials may be erected and maintained by the Declarant, Builder or a Person doing such work.
- Notwithstanding the foregoing, a storage shed may be considered an Accessory Structure of a “permanent character” if assembled on-site, of new materials, constructed of the same materials found on the exterior of the home, and painted colors matching or complimentary to the home. Storage sheds of a permanent character are subject to DRC approval and will only be allowed under the following conditions:
  - In rear yard only,
  - Not exceeding 8’0” high at the peak,
  - Not larger than 80 square feet,
  - At least 5’ from the side and rear lot lines
  - Maintained in like new condition
  - Not over or within any utility or drainage easements on the Lot and within setback requirements for the City of Aurora.
  - Prefabricated, rubber, or plastic and metal sheds are not permitted.

See also **Play Equipment**.

### **Additions and Remodeling**

- Approval is required for all additions, expansions, or remodeling which will alter the exterior of the residence. Submittals must include detailed Plans and Specifications, dimensions, and location. All

plans for such improvements must match the overall theme of the residence. Any addition to the exterior of a residence must match the original structure in architectural style, mass, material, and color.

- The DRC may also require certification of any plans or drawings by a licensed architect and/or engineer, as well as copies of building permit(s) upon their issuance.

### **Address Numbers**

- Address numbers may not exceed 6" in height. Submittal should specify location and materials.

### **Advertising – See Signs**

### **Air Conditioners- See HVAC**

### **Animals- See Pets and Pet Enclosures**

### **Antennas and Satellite Dishes**

- No Owner or Resident may install exterior wiring for electrical or telephone installation, or for any other purpose, nor shall any items, including but not limited to internet, television, cable, or radio antennae, furnace or other vent, machines, or air conditioning unit vents, be installed on the exterior of a Residential Structure or protrude through the walls or the roof of Improvements, except with the approval of the DRC.
- Notwithstanding the foregoing, and subject to the Telecommunications Act of 1996 and applicable regulations, no exterior radio antenna, television antenna, or other antenna, satellite dish, or audio or visual reception device of any type shall be placed, erected, or maintained on any Lot, except inside the home or otherwise "concealed from view".
- For the purposes of this section, a device shall be considered "concealed from view" if located in the rear yard or in a side yard behind front 1/3<sup>rd</sup> of the home, and not exceeding 36" x 22" in size, nor greater than 5' from ground level.
- All other devices will be considered on a case-by-case basis.

### **Artificial Turf**

- Approval is required prior to the installation of artificial turf. Artificial turf products will be considered on a case-by-case basis. Applicant shall include a product sample (minimum 10" x 10") with the request. Artificial turf will only be allowed in rear yards.
  - **General Guidelines:**
    - The synthetic turf must be natural in appearance and integrated into the overall landscape design in a natural looking manner, so as not to appear as a sports field and it shall not be installed directly adjacent to the property line.

- Turf shall be comprised of two yarn type colors (green and tans) for a natural appearance. (Putting greens may be single yarn type – green)
  - The general appearance of the synthetic turf must be designed and installed in such a manner as to effectively simulate the appearance of a well-maintained lawn.
  - The synthetic turf uniformity must be maintained for all areas.
  - The synthetic turf shall not be installed on slopes greater than 6% unless it has been reviewed and approved by a licensed professional. This consultation service will be an expense of the homeowner.
  - All synthetic turf will need to be screened by a 3' rock or mulch bed boarding the perimeter of the property. Edges of turf rolls shall not be exposed.
  - No synthetic turf shall be installed or approved in the front yard. Artificial turf is approvable for use in rear yards only.
  - Maximum area of artificial turf permitted in rear yard shall follow the same standards for turf in rear yards.
  - Pile height must be at least 1.75" inches and no more than 3 inches (practice putting areas excluded).
  - Pile weight must be in the range of 30 to 80 ounces per square yard.
  - Turf must have a minimum of an 8-year product warranty and the warranty shall not be limited to the amount of usage, lawn elevation, nor the type of footwear that can be worn.
  - The product shall allow for vertical drainage at a minimum 10' of standing water per hour.
  - Turf must have UV protection.
  - The yarn denier needs to be a minimum of 5700 for putting greens and 7000 for yards.
  - Infill material shall consist of sand, rubber, or a combination of the two products.
  - Sand will need to be silt free.
  - Rubber with steel filaments will not be allowed.
  - Primary backing system will require a minimum 8 ounces per square yard.
  - No felt backing is allowed.
- **Product Installation Requirements:**
- Turf must provide adequate drainage both horizontal and vertical.
  - Turf cannot be placed directly on top of existing grass, dirt, or hardscape. Adequate subgrade must be installed.
  - **Subgrade:**
    - Should include a geotextile fabric that is placed between the existing, compacted soil and the porous aggregate material.
    - Porous Aggregate layer is defined as a material that is compacted and will provide stability for the subgrade and the material should be porous enough to allow for sufficient vertical drainage.
  - Turf must be adequately secured – no ripples or seams showing.
  - Seaming should be completed using an approved tape and glue or stitching.
  - Stitch rate should be a minimum of 10 stitches per 3".

- Tear Strength should be a minimum of 200 lbs.
- Turf edges must be finished and anchored with either concrete curb, treated wood header, trench drain or an approved composite edging material. Turf needs to be securely fastened to prevent any lateral movement of the backing material.
- Turf must have prepared base of “infill” as defined in the product specification section.
- Turf must have a minimum 1-year installation/workmanship warranty.
- **Maintenance Guidelines:**
  - The manufacturer and/ or installer shall provide the homeowner with detailed maintenance instructions for the synthetic turf.
  - Removal of all organic material from the surface shall be done before decomposition occurs.
  - Animal feces must be removed on a frequent basis and wash with a hose.
    - A spray irrigation system is recommended if using synthetic turf in yards containing pets, as this allows for regular washing of the material.
    - Color and appearance of turf must remain as originally submitted to the DRC. If not, this constitutes and is subject to covenant violation. In more detail the property would be considered in violation of landscape maintenance and possibly subject to levied fines until matter is rectified.

See also **Landscaping**.

### **Awnings and Overhangs**

- Approval is required prior to installation. Awnings or overhangs should be an integral part of the house or patio architecture. The color must be the same as, or generally recognized as complementary to, the exterior of the residence.
- Submittal must include a sample of the fabric/material to be used and state whether the awning or overhang is retractable or permanent. A photo of the home must also be included to ensure awning color is complementary to the home.

### **Basketball Hoops**

- Garage-mounted basketball hoops are not allowed.
- Requests for free standing, pole mounted basketball hoops will be considered by the DRC in the front yard along the side of the driveway only or inside the rear yard areas subject to the following considerations: driveway configuration, at least 5’ from the property lines, proximity to the neighbor’s living areas, landscaping, and vehicles.
- Portable basketball hoops are allowed and shall not require DRC approval. However, all portable basketball hoops shall be stored out of view when not in use, preferably in the garage or behind the front 1/3<sup>rd</sup> of the house, behind a fence or landscape buffering.

### **Boats**

See **Vehicles**.

## **Business Activities**

- Lots are intended for residential use only. Business activities must be secondary to the residential use of the home and conducted entirely within the home.
- Business activities shall not involve regular visitors, clients, employees, deliveries, or excess vehicular traffic. AirBNB type activity is prohibited. Business activities shall not be apparent or detectable by sight, sound, or smell from the outside of the home.

## **Campers**

See **Vehicles**

## **Clotheslines and Drying Racks**

- No permanent clotheslines, clothes poles, drying racks, or drying yards shall be constructed, installed, or erected.
- Notwithstanding the foregoing, a retractable clothesline may be installed in the rear yard or in a side yard behind the front 1/3<sup>rd</sup> of the home and shall not require DRC approval. It shall not be visible from the street or common areas. It shall be retracted when not in use and maintained in like new condition.

## **Decks**

- Decks must be cedar, redwood, or a wood-look/textured material (e.g., “Trex” brand deck material). Wood decks shall be left their natural color stained with a clear sealer, or stained to match fences, using Vogel Grain Stain Exterior Semi-Transparent Oil Stain-Natural Tone Cedar-Product #AG-8319 stain color. Painted decks are not permitted. Wood-look materials must be a color compatible with the color scheme of the home.
- Decks must appear to be an integral part of the residence, and, in general, no part of the stairs or landings will be allowed to extend into the side property area beyond the back corners of the home. Deck railing must also match that of the deck, existing railing on the house, or the general scheme within the Community. Iron pickets/balusters are permitted with DRC approval.
- Deck skirting, ie. Lattice, is not allowed on decks that are more than 2’ above finished grade. Freestanding decks will be considered on a case-by-case basis.
- All decks must comply with setback restrictions.

See also **Fences**.

## **Deck Covers**

See **Awnings and Overhangs**.

## **Decorations, Holiday and Seasonal**

- No approval is required provided that materials are in good taste, not installed earlier than thirty (30) days prior to the holiday and removed within fifteen (15) days following the holiday.

- Colored lights may be used to celebrate the holiday and colors can cascade or waterfall, but they cannot be twinkling, pulsating, rotating, etc.
- Lawn ornaments/decor for the holiday shall be limited to the front yard, not exceed 10' in height, and shall not overwhelm the yard. The DRC reserves the right to determine whether Decorations have become unreasonable and may request residents remove décor for Nuisance, per the Master Declaration.

See also **Flags and Flagpoles**.

### **Decorations, Permanent**

- Any permanent items such as yard statuary, benches, arbors, birdbaths, fountains, wall-mounted art, and so forth are not allowed in the front yard of the property. Such items may be permitted in the rear yard subject to DRC approval.

### **Dog Runs and Houses**

See **Pet Enclosures**

### **Doors, Storm/ Entry**

- No DRC approval is required for screen storm and security doors which are neutral in color: black, white, gray, bronze, or consistent with color scheme of residence, and which do not contain excessive scrollwork or filigree. Storm doors must be aluminum or steel. Wood screen doors are not permitted.
- No DRC approval is required for entry doors which are stained or painted a color that is compatible with trim and siding of the home.
- All other door styles and colors must be submitted for DRC approval.

See also **Painting, Garages**.

### **Drainage**

- There shall be no interference with the established drainage pattern over any property within the Community except as approved in writing by the DRC. Approval shall not be granted unless provision is made for adequate alternate drainage. Submittal package may also require certification of an alternate drainage plan by a licensed engineer. The “established drainage pattern” shall mean the drainage pattern that exists at the time that the overall grading of any Lot is completed and shall include any established drainage pattern shown on any plans approved by the DRC or the Declarant, or any applicable governmental or quasi- governmental entity, in connection with the initial construction of the Residence.
- Each Owner is required to contain mud, silt, or other debris on his/her own property. Owners are not allowed to increase or decrease historical flows of water onto adjacent property.

## **Driveways, Sidewalks and Patios**

- No DRC approval is necessary when repair or replacement involves identical materials, location, and dimensions. However, any changes will require DRC approval.
  - Repair or Replacement:
    - Materials:
      - Pavers, flagstone, or concrete are generally permitted materials, subject to DRC approval. Submittal package must specify which material and include a sample or color photo/brochure. Asphalt is not permitted.
    - No Widening of Driveways:
      - Extending, expanding, or widening of a driveway is not permitted. Additionally, parking in the rear or side yard areas of the Lot is not permitted.

See also **Vehicles**

- New Projects:
  - New projects not installed by the Builder (ex. A path through the side yard or a patio in the rear yard) shall require DRC approval.
  - Submittal package must show location and dimensions, and must specify the material, including a sample, brochure, or color photo. Materials must be installed in a workmanlike manner so as to avoid excessive cracking or spalling.
  - Submittal package may also require certification of any plans or drawings by a licensed architect and/or engineer.
  - Any project shall not impede drainage.

See also **Drainage.**

See also **Snow Removal and Maintenance.**

## **Drones**

- Drones are not permitted per Section 4.9 of the Master Covenants.

## **Fences and Walls**

- Pursuant to Section 4.07 of the Master Declaration, no fences shall be permitted without the prior, written approval of the DRC, except such fences as may be constructed, installed, or located by Declarant or Builder.
- All fences will meet the requirements set out in The Aurora Highlands Urban Design Standards, and must adhere to the City of Aurora Location, Setback and Height Requirements.

- Lots Less than 60' Wide
  - Privacy fence will be used along property lines but should not be “doubled-up” along the property line; only one fence will be allowed.
  - All fencing must transition (taper) when adjacent to another type of fencing (ex. a privacy fence must taper to the height of split rail)
- Lots 60' Wide and Larger
  - Privacy fences should only be used on the interior of lots and not along the property lines.
    - If a Lot 60' wide or larger is located within a filing that primarily has Lots less than 60' wide, then the larger Lot shall be permitted to install privacy fencing in order to maintain a cohesive appearance and functionality throughout the filing and to avoid awkward fencing transitions.
  - Privacy fences should only be in the backyard area and along the main body of the building and used for screening patios, hot tubs, or similar type areas. In order to maintain views down property lines, privacy fences should not extend the entire length of the property line and should attach to the structure to which they are associated.

#### **General Fence Standards:**

- a. Fences along Parks, Open Space, and Common Landscape Areas shall be installed per the entitlement documents for the neighborhood.
- b. When applicable, masonry screen walls shall be installed per the entitlement documents for the neighborhood.
- c. Internal rear and side yard fences shall be at the discretion of the Homebuilder and shall conform to the fence options in the FDP. For consistency, all internal fences shall be the same within the neighborhood.
- d. Wood fences shall be stained to match Diamond Vogel Grain Stain Exterior Semi-Transparent Oil Stain - Natural Tone Cedar – Product #AG-8319 stain color.
- e. Fence gates shall be permitted between the side and front yards.
- f. Fence gates to CAB Property, parks, open space, common landscape areas, side yard streets, or between adjoining side yards, shall not be permitted.
- g. Wire mesh (pet mesh) will be permitted on 3-rail fences. Wire mesh shall be 2' x 4' grid, 12 gauge galvanized welded wire, and installed to the interior of the respective Lot owner. Wire mesh will not be permitted to extend above the top rail of split rail fencing.
- h. Metal picket fencing is allowed and encouraged in the Community.
- i. Refer to the [Urban Design Standards, Fencing Design Plan \(pg. 11-13\)](#) for additional fencing requirements.

#### **Maintenance Obligations:**

- Homeowners shall maintain all Improvements located on their Lot, including but not limited to the fences.
  - Fences located on a Lot line separating two Owners' Lots shall be jointly

maintained by the Owners.

- Fencing installed by the CAB, adjacent to CAB property, will be maintained by the CAB.

### **Fireplaces, Firepits and Grills**

- Built-in grills and outdoor kitchens constructed on patios and raised decks shall be no higher than 48 inches.
- Materials used should match those found on the exterior of the home.
  - All masonry, stucco and stone should be identical to that found on the exterior of the home.
- All cooking appliances, whether built-in or free standing, must consist of a fuel/power source that is contained, and a feature that allows the fuel/power source to be extinguishable.
  - Open-type charcoal grills and/or cooking appliances that hold or deposit ashes into an open vestibule will not be permitted.
- Fire pits shall be gas only. No open wood fires allowed. Independent of a patio's position in a yard, standalone gas fire pits, permanent or portable, must be at least 10- feet from any Lot line (side and/or rear).
- No fireplaces, fire pits, or grills are allowed in any front yard.

### **Fireworks; Firearms**

See **Hazardous Activities, Materials or Chemicals.**

### **Flags and Flagpoles, Signs**

- A flag may be displayed on a bracket holder attached to the home, in a window, or on a balcony and shall not require DRC approval. Nonetheless, the American flag must be displayed in accordance with the Federal Flag Code.
- In total, two flags or signs, or aggregate thereof are permitted, to be displayed per home, and must be maintained in like new condition.
  - Flags shall not exceed 3' x 5' in size.
  - Signs shall not exceed 2' x 3' in size.
- Permanent, free-standing flagpoles must be approved by the DRC prior to installation.
- Owners and Residents are not permitted to place Flags and Signs upon CAB Property.
  - Permitted Events upon CAB Property may place event signage, with DRC approval.

### **Garage Sales, Yard Sales**

- No approval is required for garage sales provided the items for sale are personal household goods, and have not been purchased for resale in bulk, at auction or estate sale, and provided the sale is held in such a manner so as to not disturb other residents of the area.
- All garage sales must comply with applicable municipal requirements. The DRC reserves the right to

place limitations on the number of times per year that an individual Residential Structure can be used for garage sales.

- After the conclusion of the garage sale, no items can be left out on the driveway, sidewalk, or street unless the Homeowner is having the items picked up. In no circumstances shall items remain visible for more than forty-eight (48) hours.
- All garage sale signage must be removed promptly at the conclusion of the garage sale.
- Garage sale signs must not be placed on CAB Property. Garage sale signs shall be placed only on the Owner's lot.

### **Garages**

- Each single-family detached residence shall have a garage with the capacity for a minimum of two (2) vehicles. No garage shall exceed capacity for four (4) vehicles.
- Garage doors shall be wood, hardboard, fiberglass, or metal.
  - All garage doors must be painted the same as, or generally recognized as a complementary to, the exterior of the residence.
  - Garage doors should not remain open, unless for ingress/egress of vehicles, or when actively conducting actions within the garage.

See also **Painting, Exterior**.

### **Gardens, Flower, and Vegetable**

- Vegetable beds or gardens are limited to back yards. The mature height of garden plants shall not exceed 6'. All gardens shall be kept in a neat, weed-free condition.
- Raised planters and garden beds shall be constructed of rock, split face masonry units, redwood, or cedar timbers. Pressure treated, railroad ties, or other types of wood timbers are not permitted. Chain-link fencing is also prohibited.
- Garden beds shall be cleaned of fruit or vegetables at the end of each growing season.

See also **Fences, Landscaping**.

### **Gazebos**

See **Accessory Structures**.

### **Grade Change**

See **Drainage**.

### **Greenhouses and Sunrooms**

See **Accessory Structures**.

## **Hazardous Activities, Materials or Chemicals**

- No Lot or Improvement may be used for any use, and nothing may be stored on any Lot or Improvement, which would constitute an unusual fire hazard, or would result in jeopardizing any insurance maintained on other lots, or Improvements within, or on any other portion of the Community.
- No incendiary or explosive devices shall be permitted within the Community. “Incendiary or explosive device” shall include, but not by way of limitation, any device consisting in whole or in part of flammable material or other material having the capability of exploding, igniting, or burning, other than reasonable sized propane tanks (no larger than 20 pounds) intended for use with gas grills
- No fireworks or firearms may be fired or discharged within the Community, except (i) in any areas specifically designated therefor and in compliance with all Applicable Laws, (ii) with the permission of CAB and (iii) firework displays performed by professional pyrotechnics companies/persons approved by CAB.
- Owners, Residents, or guests shall not store any flammable, combustible, odorous, explosive, or other inherently dangerous fluids, chemicals, or substances anywhere within the Community, except those reasonably required for normal household use and in accordance with these Rules and Regulations.
  - Gasoline or fuel for a lawn mower, snow blower, and the like may be maintained on an incidental basis on a Lot if the amount so kept does not exceed five gallons and is kept in UL approved containers. Gasoline or other volatile or incendiary materials or devices shall be stored only in a manner that strictly complies with all Applicable Laws.
  - The CAB reserves the right to require Owners to promptly remove any such materials that the CAB believes might constitute a hazard. Owners agree to remove such contents upon receipt of written notice from the CAB.
  - Further restrictions are found in the Master Declaration.

## **Hot Tubs, Spas and Saunas**

- DRC approval is required for exterior hot tubs, spa equipment, saunas, or jetted tubs (sometimes called Jacuzzis).
  - Equipment must be installed in such a way that it minimizes visual impact to and will not create a nuisance to adjacent lot owners, parks, trails, or neighbors by noise, drainage or other such problems. Equipment will only be permitted in back yards at ground level. In some cases, the DRC may require the consent of the adjacent Homeowner.
  - Free standing units must visually complement the residence in color and be buffered by adequate landscaping, or screened from common area and street view, to minimize visual impact to neighboring properties.
  - Examples of screening include plant, shrub, or tree material, or privacy fencing in lots greater than 60’.

See also **Nuisances, Lights, Sounds, and Odors.**

## **HVAC and Swamp Coolers**

- All heating, ventilation and air conditioning equipment shall be installed at, or near ground-level. To the extent practicable, equipment shall be located in the rear yard or in a side yard behind the front 1/3<sup>rd</sup> of the home, preferably behind a fence, gate, or landscape screening.
- Roof mounted (ex. Swamp Coolers) or window-mounted HVAC equipment is not permitted.

## **Landscaping Guidelines and Standards**

### General Standards:

- a. Plant materials identified as prohibited in the City of Aurora, Adams County, and the State of Colorado are not permitted. Please refer to Section 146.4.7.3, Section B.4 for prohibited plants: [Sec. 4.7 Landscape, Water Conservation, Storm water Management | Aurora Unified Development Ordinance \(municipal.codes\)](#)
- b. All turf and plants shall be fully irrigated to insure survivability by an electric, 100% underground irrigation system.
- c. Trees, shrubs, perennials, groundcovers are to be irrigated with some type of drip or bubbler irrigation.
  - Irrigation shall be controlled by an automatic controller with a rain sensor shut-off system.
  - Irrigation zones shall be divided into cover common hydrazones based on water needs of common plant material.
- d. Turf species shall be moderate to lower water type species.
- e. Builder, Owner, and Contractor shall be familiar with, and follow the geotechnical recommendations for foundation-related planting and irrigation.
- f. Builder, Owner, and Contractor shall be aware of utilities.
- g. Proper drainage per the Lot plot plan shall be maintained.
- h. All shrub and mulch beds shall be contained by a rolled top metal or concrete edging.
- i. Mulch types shall be per the yard type designation below:

### Front Yard Landscape:

- Front yard landscape installation will be the responsibility of the Home Builder or Owner and will include the portion of the side yard when adjacent to a public street. Tree and shrub diversity shall come comply with the [Landscape Reference Manual](#). Refer to page 39 of the manual for more information. When following the minimum requirements, use plant material in the following method(s):
  1. Use plant material sizes appropriate for the area to be planted.
  2. Lot size will determine the minimum planting requirements per the City of Aurora minimum planting requirements.
    - Small lots (3,700-5,999sf) – 8 front yard shrubs
    - Standard Lots (6,000-8,999sf)- 16 shrubs
    - Large Lots (9,000sf-14,999sf) – 26 shrubs
    - Estate lots (15,000sf and higher) 36 shrubs
  3. Use a minimum requirement of shrubs and/or a combination of ornamental grasses and shrubs (see number 3), based on lot size

4. Use 3 ornamental grasses as part of the required minimum quantity (1 shrub = 3 grasses or perennials).
5. The Street Side Landscape (tree lawn) may be planted with plant material when used as a continuation of a planting bed on the yard side of the sidewalk.
6. Street Side Landscape plantings shall not violate sight line or sight triangle restrictions.
7. Shrub and open mulch beds shall be mulched with 3" deep, ¾" to 1 ½" natural colored (tans, browns) river rock over weed control fabric. White rock is not allowed.
8. Perennials, annuals, and trees in turf area shall be mulched with double shredded cedar wood mulch, natural in color. Pea gravel may be permitted for perennials and annuals.
9. Painted or stained wood mulch is not permitted.
10. Cobble mulch is not permitted unless used as part of a drainage condition or small accents.
11. Landscape Boulders are permitted.
12. No more than 40% of front yard turf is allowed.
13. All lots must have 1 Shade Tree, and either 1 Ornamental, or 1 Evergreen Tree
14. Xeriscape design requests are permitted subject to DRC approval. Refer to pg. 44 of the City of Aurora [Landscape Reference Manual](#)
15. Xeriscape landscape requests must provide 50% living plant material coverage at the time of planting.
16. Zeroscape is not permitted.

#### Rear Yard Landscape:

- Rear Yard landscape installation will be the responsibility of the Owner or Contractor. The City of Aurora has minimum landscaping standards outlined in the [Landscape Reference Manual](#) that must be met in addition to the Community Standard:
  1. Turf areas shall not exceed 45% of the rear yard.
  2. Side yards (corner of structure to side property line) shall not be included in the calculation. Rear yards at corner lots exposed to public view shall be landscaped.
    - Rear yards exposed to public view/open fencing shall be landscaped with turf, and shrubs, and trees at a rate of one tree and 5 shrubs per 25 linear feet.
    - Use 3 ornamental grasses can be used as part of the required minimum quantity (ex. 1 shrub = 3 grasses or perennials).
  3. Rear yards shall have a minimum of 1 tree, 2" in caliper, when backing or siding to other yards.
  4. Rear yards with a continual length wider than 50' at the rear property line shall have 2 trees, 2" minimum caliper, and 5 shrubs, when backing or siding to Parks, Open Space, or Common Landscape Areas.
  5. Shrub and open mulch beds may be mulched with a natural in color mulch type, at the discretion of the homebuilder or owner. Dyed mulch is prohibited.
  6. Rear yard mulch types can extend down the side yards to a fence, gate or hard edge separating the front yard.
  7. Perennials, annuals, and trees in turf area shall be mulched with double shredded cedar wood mulch. Pea gravel may be permitted for perennials and annuals.

### Side Yard Landscape:

1. Planting between homes is not required on internal lots, not exposed to public view.
  - No plant material is required but mulches are required for soil stability.
2. External side yards on corner lots exposed to public view, shall be landscaped with turf, shrubs, and trees at the rate of one tree and 10 shrubs per 40 linear feet of side yard.
  - External side yards on corner lots exposed to public view – Shall be landscaped by combining visible side and front yard areas and applying front yard standards
  - Perennials and ornamental grasses may be substituted for shrubs at 3 one-gallon perennial or ornamental grass species per one five-gallon shrub
3. Coverage IS required upon the entirety of the lot.

### Landscape Maintenance Standards:

- Landscaping is to be kept in a well maintained, healthy, weed free condition. Generally, this means the following practices are applicable:
  1. Turf is mowed regularly and does not exceed four (4”) inches in height.
  2. Planting beds, driveways, sidewalks, and turf areas are weed free, and turf is green.
  3. Dead branches are pruned out of shrubs and trees; dead plants are removed and replaced and disposed of properly. Dead trees must be replaced in order to maintain the minimum requirements.
  4. Trees in “Tree Lawns” (the grassy area between the sidewalk and the street): as trees grow toward maturity, the tree branches shall be removed up to eight feet above the ground. This is for safety of passers-by and provides an open visual corridor for pedestrian traffic. Owners are responsible for any tree lawns unless otherwise provided by the CAB.
    - Trees are maintained in a natural shape after pruning.
  5. Regular insect control to maintain healthy planting environments.
  6. Areas not covered by plant materials remain covered by mulch.
  7. An automated irrigation system shall be required for all front and rear yards. Lawns, trees, and plant materials shall be watered in compliance with applicable watering restrictions.
  8. Depositing of yard waste onto any CAB Property, open space, or common landscape areas is prohibited.

### Timing of Installation:

- Subject to obtaining prior DRC approval and the winter deferral period noted below, the Builder or Owner of each Lot (other than Declarant) shall install front yard landscaping on such Lot no later than 60 days after closing and rear yard landscaping must be completed by the Owner or Contractor within 90 days after closing.
- **A WINTER DEFERRAL PERIOD is granted from November 1 to April 30. The completion window begins on the day of closing. This completion window is suspended during the deferral period and begins again on May 1.**

See also **Artificial Turf, Fences.**

### **Lattice Work**

- Requires DRC approval and will generally be limited to use under decks, 2' or less of exposed clearance.

### **Lights, Exterior**

See **Nuisances, Lights, Odors, and Sounds**

### **Motor Homes and Recreation Vehicles (RV's)**

See **Vehicles**.

### **Nuisances, Lights, Odors, and Sounds**

- No nuisance shall be permitted which is visible within or otherwise affects the Community or any portion thereof, nor any use, activity or practice which unreasonably interferes with the peaceful enjoyment or possession and proper use of other Lots or CAB Property, open space, or common landscape areas.
- No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others.
- All lighting, including any security type fixture, must be directed downwards and the light "cone" created must be contained within the Lot boundaries to avoid a glare to neighboring Lots.
- Landscape lighting is permitted provided the light fixture bulb is not visible from CAB Property, parks, open space or common landscape areas, roadways, or other homes. Walkway lighting must be directed to the ground and shall not exceed 24" in height.
- No Owner or Resident of a Lot shall operate any machines, appliances, electronic devices, accessories, or equipment in such a manner as to cause, in the judgment of DRC, an unreasonable disturbance to others, or cause any damage to, or overloading, of any mechanical, electrical, plumbing, or any other system serving any building within the Community. So as not to disturb other Owners, Owners and Residents of Lots shall not permit, within Lots, loud noises or playing of musical instruments, radios, stereos, televisions, etc. in such a manner as to disturb others and volumes shall be appropriate between the hours of 10:00 p.m. to 8:00 a.m., and at all other times, as determined by the CAB (this provision shall not be deemed to restrict Commercial Parcels).
- All roadways and walkways shall be clear for emergency traffic. No furniture, bicycles, barbecues, toys, or other items of personal property shall be stored, left, or parked on a roadway, walkway, or any other place within the Community other than an Owner's Lot; provided, however, that bicycles may be stored in designated bicycle parking areas within the Community, if any.
- The CAB and DRC assumes no liability for any loss or damage to articles left or stored in any portion

of the Community.

See also **Lights, Exterior; Unsightly Conditions**

### **Painting, Exterior**

- DRC approval is not required when repainting a home using identical paint (manufacturer, colors, and color scheme) as originally applied by the Builder. However, any changes to the exterior paint will require DRC approval.
- In general, the exterior colors of a home shall be primarily muted earth tones (e.g., gray, green, brown, beige, ivory, slate, etc.) with one or two accent colors applied to trim areas and architectural features/details.
- Color samples must be at least 8"x10" and marked clearly as to the areas in which they will be used. Submittal package must also include a current color picture of the home depicting the existing color scheme.
- Approved paint schemes shall not be repeated more than once every four lots, or directly across the street.

See also **Garages**.

### **Patios**

See **Driveways, Sidewalks, and Patios**.

### **Patio Covers**

See **Awnings and Overhangs**.

### **Pets**

- No animals, horses, livestock, birds, poultry, reptiles, or insects of any kind shall be raised, bred, kept or boarded in the Community; provided, however, that the Owners of each Lot may keep a reasonable number of bona fide household pets (including dogs, cats and other domestic animals approved by the DRC, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Community. Pigs, including pot-bellied pigs, are considered livestock, not household pets, or domestic animals.
  - For the purposes of this section, a "reasonable number" shall mean no more than three (3) household pets per Residential Structure.
- A Homeowner's right to keep household pets is coupled with the responsibility to clean up after the pet and to pay for any damage caused by such pets.
- No animal shall be permitted to make an unreasonable amount of noise or cause any objectionable odor or become a nuisance. All pet waste must be removed from any property immediately and disposed of properly. This includes CAB Property, open space areas, parks, landscape tracts, commercial properties, and residential properties. Each Owner with household pet(s) shall be financially responsible and liable for any damage caused by said pet.

- Pets must be leashed or otherwise contained and/or controlled, at all times. Leashes shall be no longer than 10' in length per City Ordinance. Pets shall not be leashed, chained, or tethered to any building, stake, sprinkler, fence, trees or other improvements or landscaping contained within the Community, or otherwise left unattended, in each case, outside of such Owner's Lot, except for short durations and in such locations as may be permitted by the owner of the property upon which it is leashed, chained or tethered.
  - Tethering to CAB Property is not permitted.
  - The Owner or Resident so leashing, chaining or tethering remains responsible for such pets, including any damage they cause.
  - Tethers should be at least 6' in length and used solely upon the Owner's lot.
- Owners agree to comply with current inoculations of pets as required by Applicable Law; and all other applicable governmental laws and regulations pertaining to keeping, maintaining, or raising a pet, including, without limitation, registration of pets.
  - The City of Aurora has provided the following additional information:
    - [https://aurora.municipal.codes/Code/14\\_ArtII](https://aurora.municipal.codes/Code/14_ArtII)
- The DRC may prohibit the keeping of certain breeds or kinds of pets, restrict the size of such pets, and impose conditions and restrictions upon the keeping of such pets, based upon a specific determination that such type or size of pet or that more than one of a particular type of pet may constitute a safety concern or nuisance to other Owners.

See also **Nuisances, lights, Odors, and Sounds; Pet Enclosures.**

### **Pet Enclosures**

- Approval is required for all pet enclosures. Fenced pet enclosures (dog runs) are permitted in rear or side yards provided the standard neighborhood fencing is utilized. Side yard dog runs will be allowed behind the front 1/3 of the home and require approval of adjacent Homeowner.
- Specialized dog run fencing may be submitted for consideration by the DRC, subject to written agreement by the adjacent Homeowner.
- Chicken wire and chain link materials are not permitted. The maximum size of a pet enclosure is three hundred (300) square feet.
  - Suggested methods of containment are:
    - Privacy Fence.
    - "Invisible" below-ground electronic containment systems
    - Split rail fencing with "pet-mesh" lining, refer to section on Fencing.
- Approval is required for all pet houses (e.g., dog houses). The maximum size of a pet house is 4' x 4' or combination, not to exceed a total of 16sf. Pet houses must be located in the rear yard and not be visible above the fence line. Pet houses must be constructed with materials and colors which are compatible with the exterior of the home.
  - Architecture to be reviewed and approved by the DRC prior to installation.

## **Play Equipment**

- Approval of the DRC is required prior to installation.
    - This includes fort-style play structures, tree houses, playgrounds, swing sets, climbing equipment, trampolines, etc.
  - The Submittal package must specify location and dimensions of play equipment and include a product brochure or color photo.
  - All play equipment shall be located in the rear yard and must be a minimum of 5' from any Lot line, and not adversely impact drainage or utility easements. The maximum height of play equipment is ten (10) feet from ground.
  - Play structures must be installed to ensure safety and prevention of tipping over.
  - In some cases, the DRC may require the consent of the adjacent Homeowner and/or additional landscaping.
  - Sport courts will be evaluated on their individual merit, use, location on Lot, and appearance.
- See also **Basketball Hoops**.

## **Recreational Vehicles and Motor Homes**

See **Vehicles**.

## **Rentals**

- Owners, Residents, or their agents are not permitted to use Lots for short-term rentals or lodging, vacation rentals “hotel” purposes, i.e., rental or leasing on a day-to-day or week-to-week basis, or any similar temporary lodging or living quarter arrangements. Leases shall be for a minimum term of thirty (30) days and shall be in writing. All leases are fully subject to the Governing Documents.

## **Retaining Walls**

- Approval of the DRC is required.
  - All walls shall be constructed of rock, brick, split face masonry units, cedar, or redwood construction. Pressure treated, railroad ties, other types of wood timbers or unfinished concrete masonry units are not permitted.
  - Retaining walls shall follow all City of Aurora requirements and the Aurora Highlands Urban Design Standards. A single retaining wall shall not exceed thirty-six (36) inches in height (as measured at the exposed side) without an engineering plan.

See also **Drainage**.

## **Roofing**

- Approval is required. In general, roofs shall be constructed with either asphalt shingle, designer shingle, or concrete tile materials and utilize a product which is a minimum 30- year quality. Roofs must be a neutral color (e.g., brown, black or gray).

- Partial replacement or patching of damaged roof sections must be completed with the same brand and color (or suitable replacement) such that the repaired section shall not be distinguishable.
    - In general, rooftop equipment is not permitted.
- See also **HVAC; Skylights; Solar Panels and Solar Energy Devices.**

## **Satellite Dishes**

See **Antennas and Satellite Dishes**

## **Sheds**

See **Accessory Structures**

## **Siding and Exterior Materials**

- Approval is required for any changes to the siding or exterior materials of the home.
  - In general, siding material should be wood or fiber cement (e.g., Hardie Plank brand).
  - The use of masonry (including stucco) is encouraged.
  - In general, all siding and exterior materials should utilize earth tone colors.

See also **Painting, Exterior**

## **Signs**

See **Flags, Flagpoles, and Signs**

## **Skylights**

- Skylights must be installed at the same pitch and angle of the existing roof. Bubble style skylights are not permitted. Skylights not included in a builder package, must be approved by the DRC.

## **Snow Removal and Maintenance**

- Snow removal and maintenance of driveways and certain sidewalks in front of or adjacent to the home are the responsibility of the homeowner.
- Snow removal and maintenance of mail kiosks and sidewalks in Common Areas are the responsibility of the CAB.
- Per the city of Aurora, snow and ice must be removed within 24 hours after a snowfall ends, and 48 hours after a snow emergency is declared by the City.

## **Solar Panels and Solar Energy Devices**

- Homeowners are encouraged to install solar panels. Solar panels will be reviewed on a case-by-case basis. In general, solar panels should follow the same pitch and angle of the existing roof so as to

minimize visual impact to adjacent Owners.

- When submitting to the DRC for approval, applicants should include a picture of the roof or area indicating placement of panels, and an information sheet with specifications/type of panel to be installed.

## **Storage Structures**

See **Accessory Structures**.

## **Swimming Pools**

- Swimming pools require DRC approval prior to installation. Permanent above-ground pools are prohibited.
  - Inflatable or lightweight wading pools and splash pools not to exceed twelve (12) feet in diameter may be located in the rear yard without DRC approval between the months of May and September.
  - Pools shall be 5' from the lot line and not impede drainage or intrude upon utility easements.
- All appropriate permits must be obtained from the governing municipality and all safety requirements met.

## **Trash and Recycle Containers, Service**

- Trash and Recycling services are provided by the CAB. Please contact the current Management Company with any questions or concerns.
  - Trash and recycle containers may be placed at curbside for pickup after 6:00 p.m. on the evening before pick-up and shall be returned to a proper storage location by 9:00 p.m. the day of pick-up.
  - Trash containers shall be kept within garages or stored out of sight behind suitable enclosures or locations approved by the DRC at all other times except pickup and shall be kept in a clean and sanitary condition. This is to prevent wildlife from accessing trash.

## **Unsightly Conditions**

- The following are examples, but not all inclusive of unsightly conditions:
  - Rugs, clothing, or other household items hung from any window, balcony, fence, or facade of the buildings.
  - Clotheslines of any type that are visible from the street or any neighbor's Lot.
  - Retractable clotheslines that have not been retracted when not in use.
  - Uncontained or excessive refuse and hoarder type conditions.
  - Excessive weeds and not maintained landscape.
  - Pet waste not promptly removed.

## Vehicles, Parking

- Parking Restrictions:
  - Parking shall only occur in garages, on driveways, on streets (where permitted by law), or in designated parking areas. Parking in rear or side yard areas is not permitted. Parking on landscaped areas is prohibited.
- Restrictions, Commercial Vehicle and Recreation Vehicle(s):
  - Commercial vehicles, tractors, mobile homes, recreation vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, golf carts and boat trailers must be parked only in enclosed garages and may not be parked on the street.
    - Notwithstanding the foregoing, recreation vehicles and motor homes may be temporarily parked for a maximum of seventy-two (72) consecutive hours in the driveway of a Lot for the purposes of loading, unloading and delivery.
    - For the purposes of this section, a “commercial vehicle” means a vehicle that meets any of the following: is used to transport cargo or passengers for profit or hire; or may (but is not required to) contain signage, advertising, or written information on the vehicle or extending from the vehicle; or is any vehicle registered with the State Motor Vehicles Department as a “commercial vehicle”; or meets the definition of local ordinances for being a commercial vehicle; or is any vehicle that is larger than 1-ton payload capacity.
    - Additionally, “recreation vehicle” means motor homes, pick-up trucks with camper shells, trailers, self-contained recreational vehicles, motorcycles, motorbikes, snowmobiles, jet skis, boats, all-terrain vehicles, and other apparatus intended for use on land, water, or in the air, and the trailers used for their transportation.
    - Notwithstanding the foregoing, any such recreational vehicle may be otherwise parked temporarily for loading, unloading and/or delivery.
- No Abandoned or Inoperable Vehicles:
  - No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked in the Community except in a garage.
    - An “abandoned or inoperable vehicle” shall be defined as any automobile, truck, motorcycle, or other similar vehicle, which has not been driven under its own propulsion for a period of two weeks or longer, or which does not have an operable propulsion system installed therein, is up on blocks or covered with a tarpaulin for 72 consecutive hours, or which is not then currently registered and licensed, or which exhibits other characteristics of being abandoned or inoperable, such as, but not limited to, flattened tires or broken windows.
- No Maintenance or Repair of Motor Vehicles, Trailers, or Boats:
  - No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of motor vehicles, trailers, or boats, may be performed or conducted in the Community. This restriction does not prevent washing and polishing of any motor vehicle, trailer, or boat.

## **Water Features**

- Low volume water features may be permitted provided they are not audible to the adjacent homeowner. Design approval shall be at the discretion of the DRC and low volume water features will be evaluated on their individual merit, use, location on Lot, and appearance.
  - Water features must be designed with water conservation in mind, and must be complimentary, in color, to the home.

## **Weathervanes**

- Weathervanes require prior DRC approval and will be evaluated on their individual merit and appearance; however, generally roofing accessories are not permitted.

## **Wind Energy Devices**

- Wind energy devices require prior DRC approval and will be evaluated on their individual merit, use, location on Lot and appearance.

See also **Nuisances, Lights, Odors, and Sounds.**

## **Windows**

- All window frames shall be painted or stained wood, vinyl, composite or non-reflective metal framers and dividers. Reflective glass and reflective window tinting are not permitted.
  - For bathrooms ONLY, frosting is permitted to create privacy and shall be neutral in color: white, off-white, light tan, frost. Samples shall be provided to the DRC prior to approval for installation.
  - For Design Review Applications: window replacements without material changes do not require DRC approval.
    - Window replacements that desire changes in materials or aesthetic will need to be reviewed and approved by the DRC.
      - The DRC will consider window replacements according to The Aurora Highlands Architectural Character section of the Residential Architectural Design Guidelines.

## **Wildlife Precautions**

- Wildlife may be present in the Community, including but not limited to coyotes, foxes, rabbits, raccoons, skunks, etc. In order to minimize harmful interactions, homeowners shall:
  - Keep all pet food and pet food bowls inside;
  - Keep trash sealed and/or enclosed within the home; and
  - Never leave pets or children unsupervised outdoors.

## **Wood Storage**

- No wood piles or storage areas shall be so located as to be visible from a street, from the ground level of any Lot or from any Common Area.

- Firewood shall be neatly stacked and shall be located within a screened enclosure or other appropriate feature. Wood piles and enclosures may not exceed four (4) feet in height and sixteen (16) square feet in total area.
- Wood piles shall not be located within 5' of the fence line or impact drainage.

### **Article 3.   *Parks and Open Space Rules***

The following rules apply to CAB owned, managed, and leased properties within the Community (“CAB Properties”):

- 3.1 Dog owners must always leash and have physical control of their dog(s), unless permitted within designated dog parks Dog owners shall pick up and dispose of dog's excrement.
- 3.2 Motorized vehicles are prohibited in parks, trails, and open space except as provided in Section 3.26, below.
- 3.3 Glass containers, littering, dumping, and misuse of public property are prohibited.
- 3.4 Fires are permitted within charcoal burning grills provided at park shelters, or within liquid-fueled or gas-fueled grills/stoves on CAB owned, leased, or managed developed park sites and parking lots when no fire restrictions apply.
- 3.5 Firing or shooting any firearm or archery equipment in or into any CAB Properties is prohibited. Firearms are defined as any pistol, revolver, rifle, bow, crossbow, or other weapon of any description from which a shot, projectile, arrow, or bullet may be discharged. This includes and is not limited to compressed air guns, CO2 and battery-operated guns, BB guns, pellet guns, air soft pellet guns, paintball guns, and slingshots. Archery equipment is defined as any bow and includes, but is not limited to, a crossbow, longbow, or compound bow, which shoots arrows or other projectiles. Model rockets and airplanes are defined as any craft that is propelled off the ground by a gas or electric engine, CO2, compressed air, or any other form of power. Only model gliders propelled by humans and airplanes propelled by elastic bands are permitted.  
  
Possessing fireworks, firearms, archery equipment, model rockets and airplanes on any CAB Properties is prohibited, except as provided by C.R.S. Section 18-12-201et seq.
- 3.6 The operation of any unmanned aerial system (UAS), also known as drones, on CAB Properties is generally prohibited. Events or specific activities can use a drone if granted permission by the DRC and issued a permit
- 3.7 Swimming or the use of watercraft and/or floatation devices is prohibited. Use of model, or remote-controlled toy boats on CAB owned or managed ponds and open water may not interfere with, or disturb fish, wildlife, and fishing activities.
- 3.8 Ponds and Open Water. The following activities are prohibited: walking on ice covered pond surfaces, swimming, use of watercraft, and use of floatation devices.
- 3.9 Parks and open space are open from 5:00 a.m. to 11:00 p.m. daily.
- 3.10 Hitting golf balls in or into CAB Property is prohibited.

- 3.11 Amplified sound systems are prohibited unless specifically authorized in writing by the Managing Agent.
- 3.12 Disorderly conduct as defined in C.R.S. 18-9-106 is prohibited.
- 3.13 Relocating or releasing animals, fish, birds, or insects on CAB Property is prohibited.
- 3.14 CAB owned and managed ponds and water bodies are regulated by both statewide rules and the CAB's posted site rules.
- 3.15 Harassment of wildlife as defined in C.R.S. 33-6-128 is prohibited. All this statute is incorporated herein except sub-section (3).
- 3.16 Camping is prohibited without permit.
- 3.17 The safe use of small stakes (not to exceed 10 inches in length) is permitted in parks. All other staking requires an application and permit issued by the Managing Agent.
- 3.18 Motorized vehicles are not permitted in open space except as provided by Section 3.26, below. Private property may not be accessed through CAB open space.
- 3.19 Dumping and littering of any kind is prohibited. This includes grass clippings, sod, soil, trash, debris, landscape materials, and dog waste.
- 3.20 Recreation amenities such as playgrounds, tetherball, volleyball courts, ball fields, trampolines, horseshoe pits, tree houses, rope swings and archery ranges not constructed by the CAB are prohibited. Personal items shall not be affixed to structures, signs, and posts without being permitted in writing by the CAB. Attaching personal items to trees is prohibited.
- 3.21 Extended Landscaping: Improvements including irrigation, landscape materials, shrub and tree planting, gardening, structures of any kind or retaining walls are prohibited on CAB Properties. Tree and shrub growth extending onto CAB Property that interferes with CAB maintenance practices is prohibited.
- 3.22 Storage or staging of any type of equipment or materials is prohibited.
- 3.23 Dog Off-Leash Areas (if any) hours are from 7:00 A.M. until sunset year-round.
- 3.24 Damage or misuse of CAB Property is prohibited. This includes, but is not limited to applying herbicide, digging, and erosion caused by drainage from adjacent property.
- 3.25 Fence Rules:
- (a) Owners of property adjacent to fences maintained by the CAB shall not place any landscaping or other materials in such a manner as to cause damage to the CAB's fence. Additionally, nothing shall be placed or affixed on to any CAB fence. The CAB may remove

any such materials at any time. Any person causing any damage to any fence maintained by the CAB shall be responsible for the cost incurred by the CAB to repair the fence. Homeowners will be required to remove all landscaping or other materials so that the CAB may repair such damages.

- (b) Owners of properties adjacent to fence owned by the CAB shall not remove any portions of fence for yard access or any other reason.
- (c) Owners of properties adjacent to fence owned by the CAB shall not install any gates in CAB fencing.

### 3.26 Operation of Motorized Vehicles and Equipment

The operation of any motorized vehicle or equipment on or through parks and open space owned or maintained by the CAB is prohibited except for the following:

- (a) CAB service vehicles and equipment.
- (b) Law enforcement, fire, rescue, and emergency vehicles and equipment, including the sheriff, police, Colorado Division of Wildlife, and animal welfare.
- (c) Vehicles and equipment operated at the direction of public agencies, such as the City of Aurora, Urban Drainage and Flood Control, Colorado Interstate Gas, and Fire and Rescue when being used by such entities to install or maintain facilities located in their easements or rights-of-way.
- (d) Vehicles and equipment operated by contractors of the CAB provided the contractor has obtained an access permit from the CAB.
- (e) Class I and II electrical assisted bikes as defined by C.R.S. 42-1-102 are permitted.
- (f) Other Power-Driven Mobility Devices are permitted in accordance with Applicable Law, including the Americans with Disabilities Act:

### 3.27 Violations of Article III:

Violations any of the provisions of Article III of the Rules or Regulations are misdemeanors punishable as provided in §18-9-117 of the Colorado Revised Statutes.

### 3.28 Other Remedies of the CAB:

Any violations adjacent to private property shall be deemed to have been placed by the owner of the adjacent property and that property owner shall be responsible for the correction of the violation.

- (a) In addition to any penalties provided by the Colorado Revised Statutes, the CAB may

correct violations at the expense of the responsible party.

- (b) Prior to correcting any violation pursuant to Subsection (a) above, the CAB shall give the party responsible 3 days written notice. Immediate action will be required when the violation is determined by staff to be a public safety issue.
- (c) In the event the CAB corrects any such violation, the responsible party shall be assessed a fee equal to the amount required to correct the violation plus 18% for administrative expenses. Any party aggrieved by this section may appeal to the CAB designated Appeals Board.

### 3.29 Temporary Access to Park and Open Space:

Any person working on CAB property must obtain a Temporary Access Permit from the CAB. A Temporary Access Permit Application must be completed and submitted to the Management Company and approved by the CAB before work may commence.

### 3.30 Programs and Lessons on CAB Properties:

All lessons and/or programs held on CAB Properties must be approved by the CAB prior to any use. Approval shall be in the form of a park permit, lease, or a personal services contract with the CAB. All uses are subject to current park reservation or lease fees. Parents instructing their children or family members and friends recreating in parks are exempt from this rule provided that a fee is not charged, and that the activity is not regularly scheduled and ongoing.

### 3.31 Temporary Park Vending:

- (a) Any vendor selling concessions or food items in the Community must obtain a Temporary Vending Permit. A Temporary Vending Permit Application must be completed and submitted with associated fees to the CAB via the Managing Agent. Vending shall be permitted only within designated areas of the community parks.
- (b) Vending is limited in scope to days and times approved by the CAB.

## **Article 4. *Covenant Enforcement***

- 4.1 **Owner Complaints.** Any complaint by an Owner which alleges a violation of the Master Declaration, or any other Governing Document shall be made in writing. A form Witness Statement may be obtained from the Management Company, the Community website, or at the end of this Handbook. At a minimum, the complaint shall set forth:
- (a) The name, Lot address or unit number and phone number of the complaining witness.
  - (b) The name, if known, and Lot address or unit number of the violator.
  - (c) The specific details or description of the violation, including the date, time, and location where the violation occurred.
  - (d) A statement by the complaining witness that he or she will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary.
  - (e) The signature of the complaining witness and the date on which the complaint is made.
- 4.2 **Notification of Alleged Violation.** If an investigation or inspection reveals that any part or portion of a Lot is not in compliance with the Governing Documents, the DRC has submitted a Notice of Noncompliance with respect to a Lot, or another Owner has submitted a complaint in accordance with Section 4.2 above, the Owner shall be notified of the complaint and alleged violation by the Community's duly authorized agent. The Owner shall have fourteen (14) days to correct or cure the violation, except those certain violations constituting a nuisance or a threat to the health, safety or welfare of another resident may require immediate correction or cure. If the complaint is based on conduct of the Owner's Resident, the Resident shall also be notified of the alleged violation.
- 4.3 **Opportunity for a Hearing Before the Appeals Board.** Any Owner receiving a Notice of Alleged Violation and who has not corrected or cured the violation within the permitted time is entitled to an opportunity for a hearing. If the Owner desires a hearing, the Owner must proceed as follows:
- (a) If the Owner desires a hearing on the alleged violation, within fifteen (15) days after the Notice of Alleged Violation has been delivered on the Owner and the time for correction or cure of the violation has expired, the Owner must complete the Request for a Hearing form, and return it to the Appeals Board, or duly authorized agent.
  - (b) If a request for a hearing is timely filed, a hearing on the complaint shall be held before the Appeals Board. The Owner shall be notified of the date and time of the hearing, which shall be conducted no later than sixty (60) days after receipt of the Request for a Hearing, as determined by the Appeals Board. The hearing shall be conducted in accordance with any rules and procedures therefore promulgated by the Appeals Board.
  - (c) At any such hearing, the Appeals Board shall hear and consider arguments, evidence, or statements regarding the alleged Violation. Following a hearing, the Appeals Board shall

issue, within 15 business days, its determination regarding the alleged Violation.

Notification of the Appeal Board's determination shall be provided to the Owner. Where the Lot is determined to be in Violation of the Governing Documents, the Notification shall be considered a notice of violation (a "Notice of Violation"), and shall include the timeline, which may be immediate and may not exceed 45 forty-five days, in which the Violation is to be corrected, remedied, or otherwise removed, as well as any Fines or other sanctions imposed. Fines may be imposed according to the Fees and Fines Schedule adopted by CAB and may be amended from time to time.

- (d) At any time prior to the Appeals Board final determination of Violation, an Owner may notify the Appeals Board, or Managing Agent, in writing that any Violation has been corrected, remedied, or removed. Following inspection of the Lot by any duly authorized agent, and confirmation that the Lot is in compliance, the Appeals Board may suspend or dismiss all actions to enforce its remedies.
- (e) If no Request for a Hearing is filed within fifteen (15) days after a Notice of Alleged Violation, a hearing will be considered waived, the allegations in the Notice of Alleged Violation shall be deemed admitted by default, and appropriate sanctions shall be imposed per the Enforcement Policy. The Owner shall be notified by the Appeals Board or Managing Agent of any such determination using the same form and in the same manner as if a hearing had been conducted.
- (f) The final authority for decisioning lies with the Appeals Board.

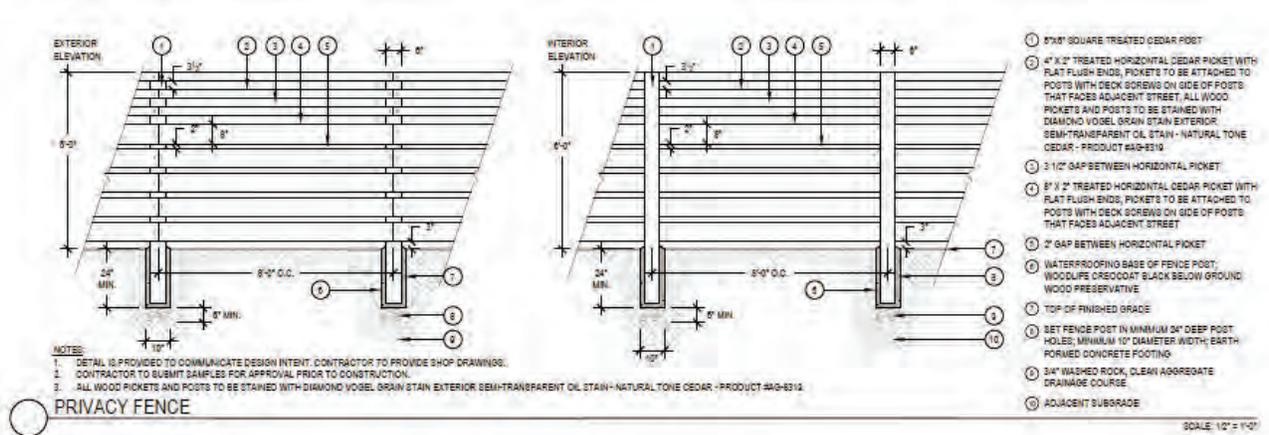
4.4 Remedies. If an Owner does not cure any Violation within the time period set forth in the Confirmed Notice of Violation, the CAB shall have all of the remedies set forth in Section 6.05 of the Master Declaration.

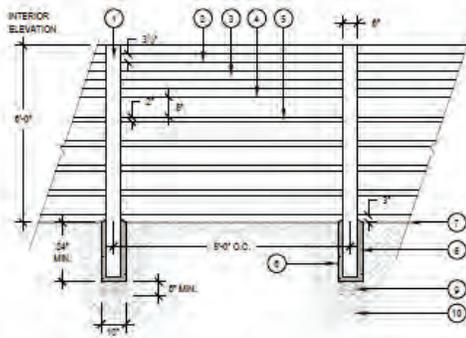
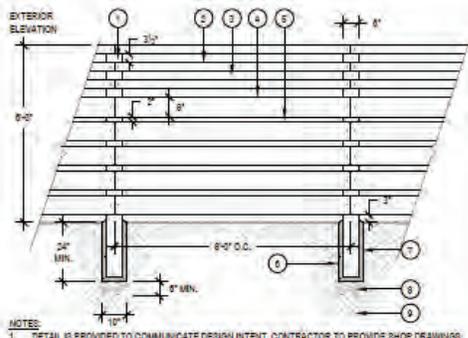
## Article 5. *Miscellaneous*

- 5.1 Master Declaration Prevails. In the event of any inconsistency between the provisions of these Rules and Regulations and the Master Declaration, the Master Declaration shall prevail. Capitalized terms used herein, but not otherwise defined in these Rules and Regulations will have the same definition given to such terms in the Master Declaration.
- 5.2 Amendment. The CAB may amend, supplement, repeal, replace or modify these Rules and Regulations from time to time as it deems appropriate or convenient in its sole discretion.
- 5.3 Construction and Development. Notwithstanding anything to the contrary herein contained, normal construction activities and parking in connection with Declarant's building of improvements within the Community or Declarant's other developmental activities shall not be considered a nuisance or otherwise be prohibited by these Rules and Regulations.
- 5.4 Remedies. All remedies set forth in the Master Declaration and these Rules and Regulations shall be cumulative of any remedies available at law or in equity, except as limited in the Master Declaration. The decision to pursue enforcement action in any case shall be left to the CAB's duly authorized Agent, or Appeals Board discretion, except that neither the CAB, CAB's Agent, nor the Appeals Board shall be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the CAB, CAB's duly authorized Agent, or Appeals Board may determine that, under the circumstances of a particular case:
- (a) the position is not strong enough to justify taking any or further action;
  - (b) the covenant, restriction, or rule and regulation being enforced is, or is likely to be construed as, inconsistent with applicable law;
  - (c) although a violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the CAB's resources; or
  - (d) that it is not in the CAB's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of the CAB's, Appeals Board's or Managing Agent's right to enforce such provision, at a later time, or preclude the CAB, the Appeals Board, or Managing Agent from enforcing any other covenant, restriction, or rule.

**EXHIBIT A Fence Details**





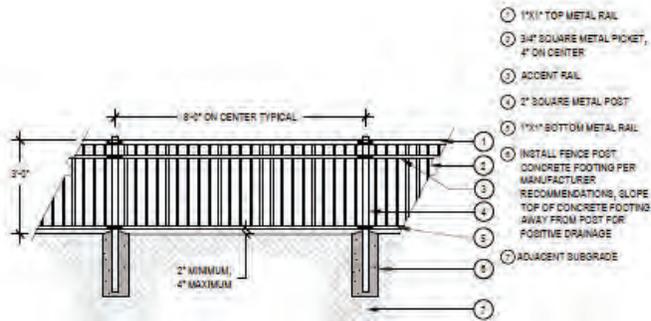
NOTES:

1. DETAIL IS PROVIDED TO COMMUNICATE DESIGN INTENT. CONTRACTOR TO PROVIDE SHOP DRAWINGS.
2. CONTRACTOR TO SUBMIT SAMPLES FOR APPROVAL PRIOR TO CONSTRUCTION.
3. ALL WOOD PICKETS AND POSTS TO BE STAINED WITH DIAMOND VOEGEL GRAIN STAIN EXTERIOR SEMI-TRANSPARENT OIL STAIN - NATURAL TONE CEDAR - PRODUCT #40-8312.

- 1 6"X6" SQUARE TREATED CEDAR POST
- 2 4" X 2" TREATED HORIZONTAL CEDAR PICKET WITH FLAT FLUSH ENDS, PICKETS TO BE ATTACHED TO POSTS WITH DECK SCREWS ON SIDE OF POSTS THAT FACES ADJACENT STREET. ALL WOOD PICKETS AND POSTS TO BE STAINED WITH DIAMOND VOEGEL GRAIN STAIN EXTERIOR SEMI-TRANSPARENT OIL STAIN - NATURAL TONE CEDAR - PRODUCT #40-8312
- 3 1 1/2" GAP BETWEEN HORIZONTAL PICKET
- 4 6" X 2" TREATED HORIZONTAL CEDAR PICKET WITH FLAT FLUSH ENDS, PICKETS TO BE ATTACHED TO POSTS WITH DECK SCREWS ON SIDE OF POSTS THAT FACES ADJACENT STREET
- 5 2" GAP BETWEEN HORIZONTAL PICKET
- 6 WATERPROOFING BASE OF FENCE POST; WOODLIFE CREOCOAT BLACK BELOW GROUND WOOD PRESERVATIVE
- 7 TOP OF FINISHED GRADE
- 8 SET FENCE POST IN MINIMUM 24" DEEP POST HOLES, MINIMUM 10" DIAMETER WIDTH; EARTH FORMED CONCRETE FOOTING
- 9 3/4" WASHED ROCK, CLEAN AGGREGATE DRAINAGE COURSE
- 10 ADJACENT SUBGRADE

PRIVACY FENCE

SCALE: 1/2" = 1'-0"

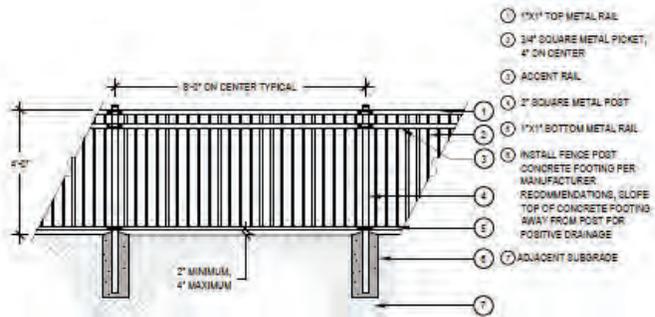


**NOTE:**  
1. FENCE TO BE AMERISTAR 3' MONTAGE ORNAMENTAL METAL FENCE WITH BLACK FINISH. REFER TO AMENITY SCHEDULE, SHEET L-XXX, FOR MORE INFORMATION.



**3' METAL FENCE**

SCALE: 1/2" = 1'-0"



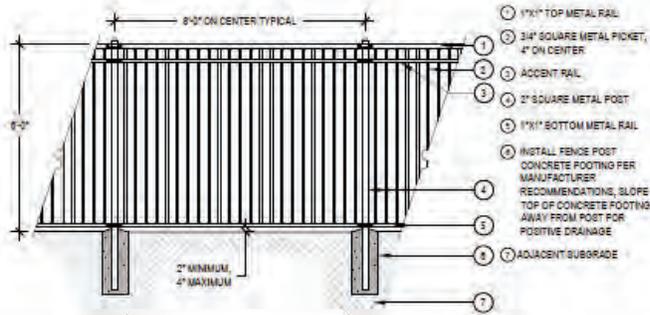
**NOTES:**

1. FENCE TO BE AMERISTAR 4' MONTAGE ORNAMENTAL METAL FENCE WITH BLACK FINISH, REFER TO AMENITY SCHEDULE, SHEET L-100, FOR MORE INFORMATION.



**4' METAL FENCE**

SCALE: 1/2" = 1'-0"

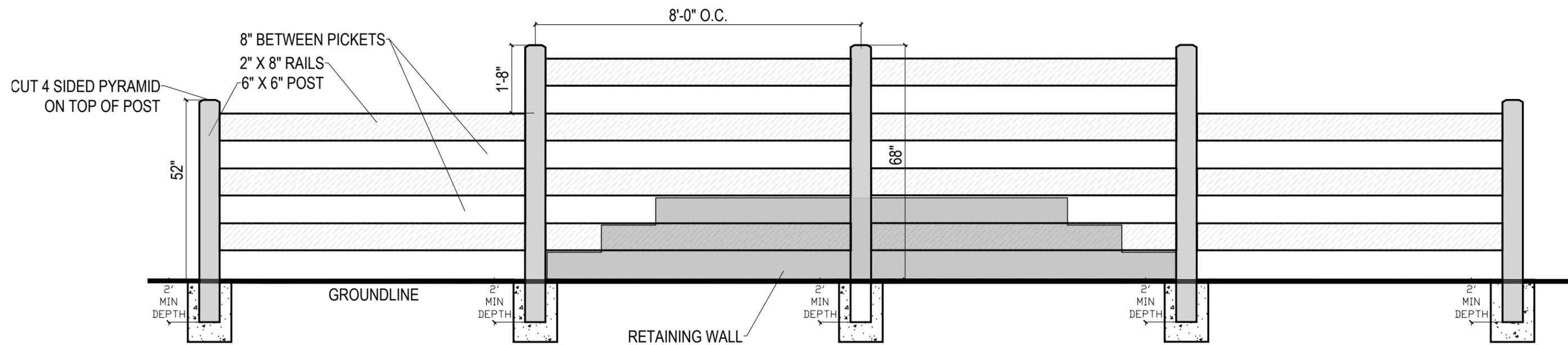


**NOTES**

1. FENCE TO BE AMERISTAR 6' MONTAGE ORNAMENTAL METAL FENCE WITH BLACK FINISH. REFER TO AMENITY SCHEDULE, SHEET L-XXX, FOR MORE INFORMATION.

6' METAL FENCE

SCALE: 1/2" = 1'-0"



SPLIT RAIL FENCE DETAIL: 3 RAIL TO 4 RAIL TRANSITION AT RETAINING WALL

**EXHIBIT B**



**APPLICATIONS AND FORMS**

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REQUEST TO USE CAB PROPERTY.....8

The Aurora Highlands  
Initial Design, or Improvement/Modification Request Form

54

NAME: \_\_\_\_\_ HOME PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ EMAIL: \_\_\_\_\_

The following type of improvement/modification/design change is requested (check applicable boxes):

- Landscaping: Initial/Mod (circle)    Deck/Patio/Slab    Room Addition    Painting    Hot Tub
- Drive/Walk Addition    Fire Place/Pit    Patio Cover/Awning/Gazebo/Accessory Structure
- Satellite/Antenna    Pet Enclosure/Run    Fencing/Side Yard Fencing    Roofing/Solar
- Other \_\_\_\_\_

Note: If more than one type of improvement is requested, describe the project(s) using additional sheets, as necessary.

**Describe Improvement:** (also, attach a picture, drawing, or brochure showing the proposed improvement, including a plot plan showing the location and measurements, of the improvement, on the lot and any other items required per the Aurora Highlands Homeowner Handbook, as they may be amended).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Completion Deadline:** \_\_\_\_\_

I/We understand that approval of the Design Review Committee ("DRC") is required before beginning work. I/We also understand that the DRC approval does not constitute approval of the local City/County building departments or any other governmental or private entity and that a building permit or other items may be required. I/We agree to complete all DRC approved improvements promptly after receiving, and consistent with, DRC approval. Completion of the improvement(s) is required by the completion deadline shown above. I/We will immediately report to the DRC any delay in such completion to request an extension, which the DRC may approve or deny in its sole discretion. I/We understand that if there is no written response to this request from the DRC within 30 days the request is **denied**. I/We understand that the modification must be **commenced within 6 months, and initial installation for Landscaping must be installed on the front lot within 60 days** from the date of closing, and 90 days for rear landscaping, or the approval is **rescinded**. The only exception is the Winter Deferral Period. I/We have read these instructions, the Declaration of Covenants, Conditions and Restrictions for The Aurora Highlands, as it may be amended, and the Aurora Highlands Homeowner Handbook, as they may be amended, and shall comply accordingly. Review process begins when a **completed** request is received, to include fee.

**Homeowner Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

(Please check box)  Fee of \$150 for Initial Design    Fee of \$50 for Improvement or Modification  
 Fee of \$50 for Variance

**For Internal Use only:**

**DRC ACTION:**    Approved    Approved, subject to:    Denied because:

\_\_\_\_\_  
\_\_\_\_\_

**DRC Member Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Completed Request Received on: \_\_\_\_\_ Returned on: \_\_\_\_\_

**Submit to:** The Aurora Highlands c/o Timberline District Consulting, 545 3<sup>rd</sup> Street, Unit 482, Monument, CO 80132, or email to [theaurorahighlands@timberlinedc.com](mailto:theaurorahighlands@timberlinedc.com)

## DESIGN REVIEW: REQUEST FOR A HEARING BEFORE THE APPEALS BOARD

I hereby request a hearing before the Appeals Board on the decision made by the DRC denying my request for Approval of Architectural Improvements/Modifications, Approval for Landscape Improvements/Modifications, and/or for a variance from the Design Guidelines.

---

Owner/Resident Name (please print)

---

Address

---

City, State, Zip

---

Phone Number

---

Email Address

---

Signature

Date



# DESIGN REVIEW: APPEALS BOARD DETERMINATION

To: \_\_\_\_\_  
(Owner/Resident)

Date: \_\_\_\_\_

## NOTICE OF DETERMINATION REGARDING DESIGN REVIEW

On \_\_\_\_\_, 20\_\_ you were notified regarding denial of a Design Review Application or Request for Variance. Pursuant to the Declaration, Design Guidelines, and Rules and Regulations of The Aurora Highlands:

- A hearing before the Appeals Board was held at your request regarding your Design Review Request or Request for Variance.
- Your Design Review/Variance disposition remains the same as communicated on \_\_\_\_\_, and is denied.
- Your Design Review Application or Request for Variance has been GRANTED, subject to the following conditions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
- Your Design Review Application, or Request for Variance, has been approved, as submitted.

Sent on Behalf of the Aurora Highlands Community Board, Appeals Board

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

Title: \_\_\_\_\_  
c/o Timberline District Consulting  
545 3<sup>rd</sup> Street, Unit 482  
Monument, CO 80132



# VIOLATION COMPLAINT - WITNESS STATEMENT

**PLEASE PRINT OR TYPE.** Complete all the information you know. If unknown, please state so. Attach additional sheets if necessary.

## INFORMATION CONCERNING WITNESS(ES) TO VIOLATION

\_\_\_\_\_  
Reporting Witness Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Parcel or Lot Address

\_\_\_\_\_  
Area Code - Phone number

## ADDITIONAL WITNESSES

\_\_\_\_\_  
Name & Address

\_\_\_\_\_  
Area Code - Phone Number

\_\_\_\_\_  
Name & Address

\_\_\_\_\_  
Area Code - Phone Number

## INFORMATION CONCERNING THE VIOLATOR

\_\_\_\_\_  
Violator's Name

\_\_\_\_\_  
Area Code - Phone Number

\_\_\_\_\_  
Parcel or Lot Address

\_\_\_\_\_  
Parcel or Lot Owner's Name, Address & Phone No. if different than the Violator.

## INFORMATION CONCERNING THE VIOLATION

Violation Date	Time	Location
Section(s) of Master Declaration or Rules and Regulations that was violated		
Reporting Witness' Observations:		
_____		
_____		

Were any photographs or sound recordings made? Yes \_\_\_\_\_ No \_\_\_\_\_ By whom? \_\_\_\_\_

Include any audio or videotapes or photographs with this form or forward as soon as possible. Include the name of the person who made the tape or photograph(s), the date it was made, the location it was made and the name of anyone else who was present.

I HAVE MADE THE ABOVE STATEMENTS BASED ON MY PERSONAL KNOWLEDGE AND NOT UPON WHAT HAS BEEN TOLD TO ME. I WILL FULLY COOPERATE WITH THE CAB AND ITS ATTORNEYS TO PROVIDE ADDITIONAL STATEMENTS OR AFFIDAVITS, AND IN THE EVENT A HEARING OR TRIAL IS NECESSARY, I WILL \_\_\_\_\_ WILL NOT \_\_\_\_\_ APPEAR TO TESTIFY AS A WITNESS.

\_\_\_\_\_  
Signature



## VIOLATION: REQUEST FOR A HEARING BEFORE THE APPEALS BOARD

I hereby request a hearing before the Appeals Board on the statements made against me as contained in the Notice of Alleged Violation dated \_\_\_\_\_, 20\_\_\_\_alleging a violation of the Master Declaration or Rules and Regulations for The Aurora Highlands.

\_\_\_\_\_  
Owner/Resident's Name (printed)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Area Code and Phone #

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## NOTICE OF VIOLATION: APPEALS BOARD DETERMINATION

To: \_\_\_\_\_  
(Owner/Resident)

Date: \_\_\_\_\_

### NOTICE OF DETERMINATION REGARDING VIOLATION

On \_\_\_\_\_, 20\_\_\_\_ you were notified of a violation of the Master Declaration or Rules and Regulations of The Aurora Highlands. Pursuant to Rules and Regulations:

- A hearing before the Appeals Board was held at your request regarding the alleged violation.
- You have admitted to the violation by default and waived your right to request a hearing. After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:
  - You were found not to have committed the violation and no action will be taken.
  - A 1st, 2nd, 3rd or subsequent violation (circle one) of the Master Declaration or Rules and Regulations has occurred and a fine in the amount of \$ \_\_\_\_\_ is now due.
  - A violation of the Master Declaration or Rules and Regulations of a continuing nature has occurred and a fine in the amount of \$ \_\_\_\_\_, per day, from \_\_\_\_\_, 20\_\_\_\_ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE MANAGING AGENT HAS BEEN NOTIFIED.
  - Damages & expenses in the amount of \$ \_\_\_\_\_ have accrued and are due.
  - Legal expenses in the amount of \$ \_\_\_\_\_ have been incurred by the COMMUNITY and are due.
  - Damage has occurred, or an architectural violation exists, as charged in the complaint. You have \_\_\_\_\_ days from the date of this Notice of Violation to correct the violation. If you fail to correct the violation within such time, the Community will proceed to have the damage or violation corrected or repaired at your expense or may exercise other legal remedies.
  - As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and you will be responsible for paying the fees and expenses incurred.

Sent on Behalf of the Aurora Highlands Community Board, Appeals Board

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

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

c/o Timberline District Consulting

545 3<sup>rd</sup> Street, Unit 482

Monument, CO 80132



The Aurora Highlands  
Form to Request Use of CAB Property

60

NAME: \_\_\_\_\_ HOME PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ EMAIL: \_\_\_\_\_

**The following use type is requested** (check applicable boxes):

Entertainment Event    Concert    Conference    Class    Trade show    Other

**Location of request:**

CAB Open Space    Park    Community Center    Other

**Activities included in the request:**

Vending    Food Sales    Alcohol (Permit required\_\_\_)    Other

**Number of Attendees:** \_\_\_\_\_ **Proof of Insurance:** \_\_\_\_\_ **Date/Time of Event:** \_\_\_\_\_

**Deposit:** \_\_\_\_\_ **Rental Fee:** \_\_\_\_\_ **TOTAL:** \_\_\_\_\_

Please provide a detailed description of the Event with details on set up, usage, and breakdown of event:

**Alternate Contact Information:**

NAME: \_\_\_\_\_ HOME PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ EMAIL: \_\_\_\_\_

**For Internal Use only:**

**DRC ACTION:**    Approved    Approved, subject to:    Denied because:

**DRC Member Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**EXHIBIT B**  
**2021 Assessed Valuation**

# CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **475 - ATEC METRO DISTRICT NO 2**

IN ADAMS COUNTY ON 11/30/2021

New Entity: No

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY**

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$40
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *		\$40
3. LESS TIF DISTRICT INCREMENT, IF ANY:		\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$40
5. NEW CONSTRUCTION: **		\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #		\$0
7. ANNEXATIONS/INCLUSIONS:		\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #		\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND ( 29-1-301(1)(b) C.R.S.): ##		\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):		\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):		\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

**USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY**

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @		\$155
ADDITIONS TO TAXABLE REAL PROPERTY:		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !		\$0
3. ANNEXATIONS/INCLUSIONS:		\$0
4. INCREASED MINING PRODUCTION: %		\$0
5. PREVIOUSLY EXEMPT PROPERTY:		\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:		\$0
<small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>		
DELETIONS FROM TAXABLE REAL PROPERTY:		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:		\$0
9. DISCONNECTIONS/EXCLUSION:		\$0
10. PREVIOUSLY TAXABLE PROPERTY:		\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
<small>** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.</small>	

**EXHIBIT C**  
**2022 Budgets – District and CAB**

ATEC METROPOLITAN DISTRICT NO. 2  
ANNUAL BUDGET  
FOR YEAR ENDING DECEMBER 31, 2022

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

12/3/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	107	1
Specific ownership taxes	-	17	-
Other revenue	-	-	500
Total revenues	<u>-</u>	<u>124</u>	<u>501</u>
Total funds available	<u>-</u>	<u>124</u>	<u>501</u>
EXPENDITURES			
Contingency	-	-	500
County Treasurer's Fees	-	2	-
Intergovernmental transfer - CAB	-	122	1
Total expenditures	<u>-</u>	<u>124</u>	<u>501</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

12/3/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 3,030	\$ 40	\$ 40
Certified Assessed Value	<u>\$ 3,030</u>	<u>\$ 40</u>	<u>\$ 40</u>
<b>MILL LEVY</b>			
General	35.000	35.000	35.000
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 106	\$ 1	\$ 1
Levied property taxes	106	1	1
Adjustments to actual/rounding	(106)	-	-
Prior year taxes	-	106	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 1</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 1</u>
	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 1</u>

No assurance provided. See summary of significant assumptions.

**ATEC METROPOLITAN DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

ATEC Metropolitan District No. 2 (the “District”), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located in Adams County, Colorado. Concurrently with the formation of the District, the City of Aurora (the “City”) approved the formation of ATEC Metropolitan District No. 1 (the “ATEC Districts”). The District was organized on November 19, 2019. The District was established to provide public streets, traffic and safety, water, sanitary and storm sewer, park and recreation, public transportation, communications systems, fire protection, security improvements, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

On November 5, 2019, the District’s voters authorized total general obligation indebtedness of \$56,000,000,000 for the above listed facilities and powers but, the District’s Service Plan limits the total indebtedness to \$4,000,000,000, with a maximum debt mill levy of 50.000 mills, subject to changes in the method of calculating residential assessed valuation. The maximum debt service mill levy shall not apply to the District’s ability to increase its mill levy necessary for the provision of operations and maintenance services. The Service Plan also restricts the District’s powers for fire protection, television relay and translation, and golf course construction unless the District enters into an agreement with the City allowing for these powers.

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

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

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

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

**ATEC METROPOLITAN DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Property Taxes**

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected. No specific ownership taxes have been budgeted due to the low amount of taxes levied.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes. No County Treasurer's Fees have been budgeted due to the low amount of taxes levied.

**Administrative Expenditures**

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

**Intergovernmental Transfer CAB**

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

**ATEC METROPOLITAN DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

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

**Debt and Leases**

The District has no debt nor any operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all net revenue is transfer to the CAB, the Emergency Reserve for 2022, as defined under TABOR, is reflected in the CAB.

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

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ 325,098	\$ 353,694,397
<b>REVENUES</b>			
Interest income	-	-	169,000
Homeowner maintenance fees	148	37,500	402,000
Park/open space fees	-	-	23,149
Special assessments	-	-	3,930
Intergovernmental transfer	-	10,899	623,460
System development fees	105,000	322,500	540,000
Other revenue	-	-	-
Intergovernmental revenue - AACMD	1,553,146	-	-
Developer advance	658,183	1,277,900	950,000
2020A Bond draws	63,972,452	28,000,000	-
2020B Bond draws	6,068,118	5,200,000	-
Bond Proceeds Series 2021A	-	375,000,000	-
Bond Proceeds Series 2021B	-	140,000,000	-
Total revenues	<u>72,357,047</u>	<u>549,848,799</u>	<u>2,711,539</u>
TRANSFERS IN	<u>-</u>	<u>350,965,000</u>	<u>85,000</u>
Total funds available	<u>72,357,047</u>	<u>901,138,897</u>	<u>356,490,936</u>
<b>EXPENDITURES</b>			
General Fund	370,054	652,000	1,640,000
Debt Service Fund	85,000	139,542,500	546,000
Capital Projects Fund	71,576,895	56,285,000	329,150,904
Total expenditures	<u>72,031,949</u>	<u>196,479,500</u>	<u>331,336,904</u>
TRANSFERS OUT	<u>-</u>	<u>350,965,000</u>	<u>85,000</u>
Total expenditures and transfers out requiring appropriation	<u>72,031,949</u>	<u>547,444,500</u>	<u>331,421,904</u>
ENDING FUND BALANCES	<u>\$ 325,098</u>	<u>\$ 353,694,397</u>	<u>\$ 25,069,032</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 31,600</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 31,600</u>

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 94	\$ 2,493
<b>REVENUES</b>			
Homeowner maintenance fees	148	37,500	402,000
Park/open space fees	-	-	23,149
Special assessments	-	-	3,930
Intergovernmental transfer	-	10,899	623,460
Developer advance	370,000	441,000	550,000
Total revenues	<u>370,148</u>	<u>489,399</u>	<u>1,602,539</u>
<b>TRANSFERS IN</b>			
Transfer from other funds	-	165,000	85,000
Total funds available	<u>370,148</u>	<u>654,493</u>	<u>1,690,032</u>
<b>EXPENDITURES</b>			
Management/Administrative			
Accounting	-	55,000	185,000
Audit	-	10,000	18,000
Community relations	-	6,300	12,000
Billing & fee collection	-	20,000	22,000
Community management	-	32,000	33,800
District management	-	33,000	145,000
Covenant enforcement	-	25,000	30,800
Dues and licenses	-	2,401	4,300
Election expense	-	-	15,000
Legal	-	160,100	186,000
Miscellaneous	54	200	1,200
Insurance	-	25,000	71,300
Reimbursement to Richmond	-	19,200	-
Website maintenance	-	1,000	7,000
Intergovernmental expenditure - AACMD	370,000	172,000	-
Contingency	-	19,699	100,083
Landscaping			
Landscape maintenance	-	20,000	411,435
Snow removal	-	35,000	133,589
Parks & trails	-	-	13,000
Detention pond maintenance	-	-	10,000
Parks & open space	-	-	132,750
Utilities			
Irrigation/water	-	-	81,218
Electricity	-	10,000	10,000
Trash and recycling	-	2,100	5,025
Mailbox maintenance	-	-	1,500
Winter watering	-	4,000	10,000
Total expenditures	<u>370,054</u>	<u>652,000</u>	<u>1,640,000</u>
Total expenditures and transfers out requiring appropriation	<u>370,054</u>	<u>652,000</u>	<u>1,640,000</u>
ENDING FUND BALANCE	<u>\$ 94</u>	<u>\$ 2,493</u>	<u>\$ 50,032</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 31,600</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 31,600</u>

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**DEBT SERVICE FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 20,000	\$ 25,000,000
REVENUES			
System development fees	105,000	322,500	540,000
Interest income	-	-	25,000
Bond Proceeds Series 2021A	-	375,000,000	-
Bond Proceeds Series 2021B	-	140,000,000	-
Total revenues	<u>105,000</u>	<u>515,322,500</u>	<u>565,000</u>
TRANSFERS IN			
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>105,000</u>	<u>515,342,500</u>	<u>25,565,000</u>
EXPENDITURES			
General and administrative			
Debt Service			
Payment on 2020A Bonds	85,000	-	-
Series 2021A Bonds interest	-	-	536,000
Payment to refunding agent	-	111,666,072	-
Cost of issuance	-	23,000,000	-
Paying agent fees	-	5,000	10,000
Contingency	-	4,871,428	-
Total expenditures	<u>85,000</u>	<u>139,542,500</u>	<u>546,000</u>
TRANSFERS OUT			
Transfer to other funds	<u>-</u>	<u>350,800,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>85,000</u>	<u>490,342,500</u>	<u>546,000</u>
ENDING FUND BALANCE	<u>\$ 20,000</u>	<u>\$ 25,000,000</u>	<u>\$ 25,019,000</u>

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**CAPITAL PROJECTS FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/28/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 305,004	\$ 328,691,904
REVENUES			
Interest income	-	-	144,000
Other revenue	-	-	-
Developer advance	288,183	836,900	400,000
Intergovernmental revenue - AACMD	1,553,146	-	-
2020A Bond draws	63,972,452	28,000,000	-
2020B Bond draws	6,068,118	5,200,000	-
Total revenues	<u>71,881,899</u>	<u>34,036,900</u>	<u>544,000</u>
TRANSFERS IN			
Transfer from other funds	-	350,800,000	-
Total funds available	<u>71,881,899</u>	<u>385,141,904</u>	<u>329,235,904</u>
EXPENDITURES			
Capital Projects			
Intergovernmental expense- AACMD	26,887,738	50,200,000	328,350,900
Accounting	-	5,000	10,000
Legal	-	258,000	275,000
Cost of issuance	2,617,798	650,000	-
Capital outlay	5,459,544	-	-
Repay developer advance	36,611,815	3,700,000	400,000
Repay developer advance interest	-	1,400,000	32,000
Contingency	-	72,000	83,004
Total expenditures	<u>71,576,895</u>	<u>56,285,000</u>	<u>329,150,904</u>
TRANSFERS OUT			
Transfer to other funds	-	165,000	85,000
Total expenditures and transfers out requiring appropriation	<u>71,576,895</u>	<u>56,450,000</u>	<u>329,235,904</u>
ENDING FUND BALANCE	<u>\$ 305,004</u>	<u>\$ 328,691,904</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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

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

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

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

**Revenues**

**Homeowner Maintenance Fees**

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

**Intergovernmental Transfers**

Pursuant to certain agreements entered into between the CAB and the Districts, the Districts will impose an operations mill levy and debt service mill levy and will transfer tax revenues, net of collection fees, to the CAB to pay for the operations and maintenance costs and the repayment of 2021 Bonds of the CAB.

**System Development Fees**

It is anticipated that the CAB will impose system development fees on commercial property and residential lots within TAH upon the issuance of building permits at a rate to be determined in the future. It is anticipated that the System Development Fees will be pledged toward the payment of the CAB's 2021 Bonds.

**Developer Advance**

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

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General, Administrative, Operations, and Maintenance Expenses**

The CAB's 2022 budget includes office costs, fees for outsourced services (legal, accounting, management, etc.), insurance, dues, and other administrative expenditures. The budget also includes operations and maintenance costs for parks, streets, snow removal, trash removal, utilities, and other related expenditures. The CAB will provide all the administrative costs for the other districts that are CAB members.

**Debt Service**

The Series 2021 Bonds are paid based on available funds, as such a debt amortization schedule has not been included. It is anticipated that all system development fees collected in 2022 will be used to pay debt service on the CAB's 2021 Bonds.

**Capital Outlay**

The CAB has entered into that certain Project Management Intergovernmental Agreement with AACMD, dated April 10, 2020, pursuant to which AACMD will manage and construct the public infrastructure within TAH, and the CAB will transfer bond proceeds to AACMD for payment of the costs thereof.

**Debt and Leases**

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

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

In 2021, the CAB anticipates issuing Special Tax Revenue Refunding and Improvement Bonds, Series 2021A in the aggregate amount of \$309,800,000 at an anticipated interest rate of 5.50% for the purposes of refunding the Series 2020A and 2020B Bonds, paying or reimbursing project costs, and paying certain costs incurred in connection with the issuance of the Series 2021A Bonds.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

The Bonds are structured as “cash flow” bonds, meaning that the Indenture contains no scheduled payments of principal of the Bonds other than at maturity. Instead, principal is payable on December 1 from the available Pledged Revenue, if any, pursuant to a mandatory redemption. It is anticipated that the first payment of principal of the Bonds is not forecasted to be made until 2042. Any amount of unpaid principal of or interest on the Bonds shall be deemed discharged on December 2 of the year that is the fiftieth (50<sup>th</sup>) year after the year in which the Last Residential District (as defined in the Indenture) first imposed its debt service mill levy.

The CAB has also anticipated issuing Subordinate Special Tax Revenue Draw-Down Bonds, Series 2021B, to finance additional costs of the design, planning, acquisition, construction, installation, relocation, redevelopment and completion of public improvements with respect to TAH including paying principal and interest amounts due or to become due to the Aurora Highlands Development LLC (the Developer) under the Facilities Funding Agreement and the Homebuilder Capital Funding Agreements.

The 2021 estimates and 2022 projections for the long-term debt service activities are summarized in the tables below.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

	Balance - December 31, 2020	Additions*	Retirements*	Balance - December 31, 2021*
<u>Governmental Activities</u>				
<b>Bonds from Direct Borrowings</b>				
Special Tax Revenue				
Draw- Down Bonds:				
Series 2020A	\$ 63,972,452	\$ 28,000,000	\$ 91,972,452	\$ -
Series 2020B	6,068,118	5,200,000	11,268,118	-
Special Tax Revenue				
Refunding Bonds				
Series 2021A	-	309,800,000	-	309,800,000
Series 2021B	-	23,000,000	-	23,000,000
Accrued Interest on:				
Series 2020A	1,757,026	6,040,876	7,797,902	-
Series 2020B	38,195	589,405	627,600	-
Subtotal of Bonds from Direct Borrowings	71,835,791	372,630,281	111,666,072	332,800,000
<b>Other Debts</b>				
Developer Advances:				
Operations	1,088,670	441,000	-	1,529,670
Capital	2,863,100	836,900	3,700,000	-
Accrued Interest on:				
Developer Advances - Operations	82,631	98,300	-	180,931
Developer Advances - Capital	230,577	1,169,423	1,400,000	-
Subtotal - Other Debts	4,264,978	2,545,623	5,100,000	1,710,601
<b>Total Long- Term Obligations</b>	<b>\$ 76,100,769</b>	<b>\$ 375,175,904</b>	<b>\$ 116,766,072</b>	<b>\$ 334,510,601</b>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

	Balance - December 31, 2021*	Additions*	Retirements*	Balance - December 31, 2022*
<u>Governmental Activities</u>				
<b>Bonds from Direct Borrowings</b>				
Special Tax Revenue				
Refunding Bonds				
Series 2021A	\$309,800,000	\$ -	\$ -	\$ 309,800,000
Series 2021B	23,000,000	-	-	23,000,000
Accrued Interest on:				
Series 2021A	-	16,376,372	536,000	15,840,372
Series 2021B	-	1,610,000	-	1,610,000
Subtotal of Bonds from Direct Borrowings	332,800,000	17,986,372	536,000	350,250,372
<b>Other Debts</b>				
Developer Advances:				
Operations	1,529,670	550,000	-	2,079,670
Accrued Interest on:				
Developer Advances - Operations	180,931	144,374	-	325,305
Subtotal - Other Debts	1,710,601	694,374	-	2,404,975
<b>Total Long- Term Obligations</b>	<b>\$ 334,510,601</b>	<b>\$ 18,680,746</b>	<b>\$ 536,000</b>	<b>\$ 352,655,347</b>
*Estimated amounts				

The CAB has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The CAB has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

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

**EXHIBIT D**  
**2020 and 2021 Applications for Exemption from Audit - District**  
**2021 Audit - CAB**

**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

Debra Sedgeley

PHONE

303-779-5710

EMAIL

Debra.Sedgeley@claconnect.com

FAX

303-779-0348

For the Year Ended  
12/31/20  
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:

Debra Sedgeley

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

March 1, 2021

**PREPARER** (SIGNATURE REQUIRED)**SEE ATTACHED ACCOUNTANTS COMPILATION REPORT**Please indicate whether the following financial information is recorded  
using Governmental or Proprietary fund typesGOVERNMENTAL  
(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	<b>(add lines 2-1 through 2-23) TOTAL REVENUE</b>	<b>\$ -</b>	

## 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	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
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	<b>(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ -</b>	

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:	<input type="checkbox"/>	<input type="checkbox"/>		
N/A				
4-3 Is the entity current in its debt service payments? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>		
N/A				
4-4 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):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 56,000,000,000 11/5/2019	
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
\$ -		

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?  Yes       No
- 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:  Yes       No

N/A

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>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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?  Yes       No
- 7-2 Does the entity have a volunteer firemen's pension plan?  Yes       No

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>	<b>\$ -</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.?  Yes       No       N/A

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

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

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$0

## 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:

**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	0.000
General/Other mills	0.000
<b>Total mills</b>	<b>0.000</b>

Please use this space to provide any explanations or comments:

10-3: Public streets, traffic and safety control, 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

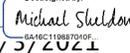
### Policy - Requirements

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.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name 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:  Date: 3/8/2021 My term Expires: May 2022
Board Member 2	Print Board Member's Name 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: 3/27/2021 My term Expires: May 2022
Board Member 3	Print Board Member's Name 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:  Date: 3/27/2021 My term Expires: May 2023
Board Member 4	Print Board Member's Name 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: _____ Date: _____ My term Expires: May 2023
Board Member 5	Print Board Member's Name 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 2023
Board Member 6	Print Board Member's Name	
Board Member 7	Print Board Member's Name	



CliftonLarsonAllen LLP

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### 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, 2020, 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.

A handwritten signature in blue ink that reads 'CliftonLarsonAllen LLP'.

Greenwood Village, Colorado  
March 1, 2021

## Certificate Of Completion

Envelope Id: 975F5A42CB104E349CFBCECEDF305205	Status: Completed
Subject: Please DocuSign: ATECMD2 2020 Audit Exemption.pdf	
Client Name: ATEC Metropolitan District No. 2	
Client Number: 011-045978-00	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Ladiella Henderson
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Ladiella.Henderson@claconnect.com
	IP Address: 174.16.138.238

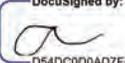
## Record Tracking

Status: Original	Holder: Ladiella Henderson	Location: DocuSign
3/2/2021 3:18:21 PM	Ladiella.Henderson@claconnect.com	

## Signer Events

Carla Ferreira  
 carla@theaurorahighlands.com  
 Security Level: Email, Account Authentication (None)

## Signature

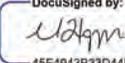
DocuSigned by:  
  
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 Signature Adoption: Drawn on Device  
 Using IP Address: 174.198.130.183  
 Signed using mobile

## Timestamp

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 Viewed: 3/2/2021 3:56:29 PM  
 Signed: 3/2/2021 3:56:44 PM

**Electronic Record and Signature Disclosure:**  
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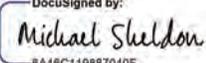
Matthew Hopper  
 matt@summit-strategies.net  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 45E4943B33D4F2...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 76.25.114.235  
 Signed using mobile

Sent: 3/2/2021 3:39:04 PM  
 Viewed: 3/8/2021 10:03:25 AM  
 Signed: 3/8/2021 10:04:38 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/8/2021 10:03:25 AM  
 ID: 1e0829a9-610c-488b-b436-879057a89d3f

Michael Sheldon  
 jbritt@msheldonlaw.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
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 Signature Adoption: Pre-selected Style  
 Using IP Address: 67.190.123.86

Sent: 3/2/2021 3:39:04 PM  
 Viewed: 3/3/2021 7:57:31 PM  
 Signed: 3/3/2021 7:57:38 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/3/2021 7:57:31 PM  
 ID: e77b50eb-37ad-4980-9869-afe286b016ac

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp

<b>Intermediary Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/2/2021 3:39:04 PM
Certified Delivered	Security Checked	3/3/2021 7:57:31 PM
Signing Complete	Security Checked	3/3/2021 7:57:38 PM
Completed	Security Checked	3/8/2021 10:04:38 AM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
<b>Electronic Record and Signature Disclosure</b>		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

# 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
Jason Carroll
303-779-5710
Jason.Carroll@claconnect.com
303-779-0348

**For the Year Ended  
12/31/21  
or fiscal year ended:**

**CONTACT PERSON  
PHONE  
EMAIL  
FAX**

## 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:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED**

Jason Carroll
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
March 1, 2022

### 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	<b>(add lines 2-1 through 2-23) TOTAL REVENUE</b>	<b>\$ -</b>	

## 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	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
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	<b>(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ -</b>	

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; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 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):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 56,000,000,000	11/5/2019
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -	-

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?  Yes       No
- 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:  Yes       No

N/A

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>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No

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>	<b>\$</b>	<b>-</b>
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$	-

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.?  Yes       No       N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 611

## 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?



**10-1**

If yes: Date of formation:

**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	35.000
<b>Total mills</b>	<b>35.000</b>

Bond Redemption mills	-
General/Other mills	35.000
<b>Total mills</b>	<b>35.000</b>

Please use this space to provide any explanations or comments:

10-3: Public streets, traffic and safety control, 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 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	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  Date: <u>3/10/2022</u> My term Expires: May 2022
Board Member 2	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: <u>3/13/2022</u> My term Expires: May 2022
Board Member 3	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 _____ Date: _____ My term Expires: May 2022
Board Member 4	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  Date: <u>3/11/2022</u> My term Expires: May 2023
Board Member 5	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: <u>3/14/2022</u> My term Expires: May 2023
Board Member 6		I _____ , 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: _____
Board Member 7		I _____ , 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: _____



CliftonLarsonAllen LLP  
8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111  
phone 303-779-5710 fax 303-779-0348  
CLAAconnect.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, 2021, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Greenwood Village, Colorado  
March 1, 2022

### Certificate Of Completion

Envelope Id: C594CAD16A3F4483A8C8FAFA45FDB7AA	Status: Completed
Subject: Please DocuSign: ATEC MD No. 2 - 2021 Audit Exemption.pdf	
Client Name: ATEC Metropolitan District No. 2	
Client Number: 011-045978-00	
Source Envelope:	
Document Pages: 8	Signatures: 4
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Lauryn Rodvold
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Lauryn.Rodvold@claconnect.com
	IP Address: 165.225.10.154

### Record Tracking

Status: Original	Holder: Lauryn Rodvold	Location: DocuSign
3/10/2022 12:56:42 PM	Lauryn.Rodvold@claconnect.com	

### Signer Events

Carla Ferreira  
 carla@theaurorahighlands.com  
 Security Level: Email, Account Authentication (None)

### Signature

DocuSigned by:  
  
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### Timestamp

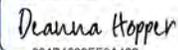
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Signature Adoption: Drawn on Device  
 Using IP Address: 69.7.116.72  
 Signed using mobile

### Electronic Record and Signature Disclosure:

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 ID: 32eb5c0f-ffce-4dfb-9efc-47d272166b6d

Deanna Hopper  
 Mdhopper1@gmail.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
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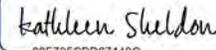
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Accepted: 3/11/2022 8:32:44 AM  
 ID: 584402cb-2436-4005-bdaf-c6435ff54a1e

Kathleen Sheldon  
 Kathleen.Sheldon@gmail.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 88F735CB067448C...

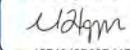
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 Signed: 3/14/2022 9:53:27 AM

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### Electronic Record and Signature Disclosure:

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Matthew Hopper  
 matt@summit-strategies.net  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 45E4943B33D44F2...

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 Signed: 3/10/2022 2:32:11 PM

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<b>Signer Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Editor Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Agent Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Intermediary Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/10/2022 1:21:19 PM
Certified Delivered	Security Checked	3/10/2022 2:31:36 PM
Signing Complete	Security Checked	3/10/2022 2:32:11 PM
Completed	Security Checked	3/15/2022 9:43:37 AM
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<b>Electronic Record and Signature Disclosure</b>		

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

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To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

**THE AURORA HIGHLANDS  
COMMUNITY AUTHORITY BOARD  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
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YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Aurora Highlands Community Authority Board  
Adams County, Colorado

### Opinions

We have audited the financial statements of the governmental activities and each major fund of The Aurora Highlands Community Authority Board (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of December 31, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

I

**Fiscal Focus Partners, LLC**

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Matters**

#### *Economic Dependency*

As disclosed in Note 10 of the financial statements, the Authority has not yet established a revenue base sufficient to pay the Authority's operational expenditures. Until an independent revenue base is established, the Authority may be dependent upon the developer of the Authority's service area for funding of continued operations.

*Fiscal Focus Partners, LLC*

Greenwood Village, Colorado  
July 27, 2022

## **BASIC FINANCIAL STATEMENTS**

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 78,151
Cash and Investments - Restricted	168,044,135
Accounts Receivable	5,145
Due from Aurora Highlands LLC	448,016
Due from Aerotropolis Area Coordinating Metro District	45,148
Prepaid Insurance	13,040
Capital Assets:	
Capital Assets, Not Being Depreciated	<u>112,625,732</u>
Total Assets	<u>281,259,367</u>
<b>LIABILITIES</b>	
Accounts Payable	322,520
Due to Aerotropolis Area Coordinating Metro District	6,531,469
Unearned Assessments	10,730
Noncurrent Liabilities:	
Due in More Than One Year	<u>299,438,763</u>
Total Liabilities	<u>306,303,482</u>
<b>NET POSITION</b>	
Restricted for:	
Emergencies (TABOR)	1,909
Unrestricted	<u>(25,046,024)</u>
Total Net Position	<u><u>\$ (25,044,115)</u></u>

See accompanying Notes to Basic Financial Statements.



**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 69,614	\$ -	\$ 8,537	\$ 78,151
Cash and Investments - Restricted	1,909	188,255	167,853,971	168,044,135
Accounts Receivable	5,145	-	-	5,145
Due from Aurora Highlands LLC	-	-	448,016	448,016
Due from Aerotropolis Area Coordinating Metro District	148	45,000	-	45,148
Prepaid Insurance	13,040	-	-	13,040
Total Assets	<u>\$ 89,856</u>	<u>\$ 233,255</u>	<u>\$ 168,310,524</u>	<u>\$ 168,633,635</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 111,718	\$ 187,500	\$ 23,302	\$ 322,520
Due to Aerotropolis Area Coordinating Metro District	-	-	6,531,469	6,531,469
Unearned Assessments	10,730	-	-	10,730
Total Liabilities	<u>122,448</u>	<u>187,500</u>	<u>6,554,771</u>	<u>6,864,719</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Amounts	13,040	-	-	13,040
Restricted for:				
Emergencies (TABOR)	1,909	-	-	1,909
Debt Service	-	45,755	-	45,755
Capital Projects	-	-	161,755,753	161,755,753
Unassigned	(47,541)	-	-	(47,541)
Total Fund Balances (Deficit)	<u>(32,592)</u>	<u>45,755</u>	<u>161,755,753</u>	<u>161,768,916</u>
Total Liabilities and Fund Balances	<u>\$ 89,856</u>	<u>\$ 233,255</u>	<u>\$ 168,310,524</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	112,625,732
Long-term liabilities, including developer advances, are not due and payable in the current period and, therefore, are reported in the funds.	
Bonds Payable	(297,464,000)
Accrued Interest - Bonds Payable	(427,605)
Developer Advances	(1,363,670)
Accrued Interest - Developer Advances	(183,488)
Net Position of Governmental Activities	<u>\$ (25,044,115)</u>

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Homeowner Maintenance Fees	\$ 44,098	\$ -	\$ -	\$ 44,098
Intergovernmental Revenue	19,530	-	-	19,530
System Development Fees	-	295,000	-	295,000
Total Revenues	<u>63,628</u>	<u>295,000</u>	<u>-</u>	<u>358,628</u>
<b>EXPENDITURES</b>				
General and Administrative				
Accounting	84,651	-	3,792	88,443
Audit	-	-	-	-
Billing and Fee Collection	23,095	-	-	23,095
Community Management	33,000	-	-	33,000
Community Relations	7,273	-	-	7,273
Covenant Enforcement	25,210	-	-	25,210
District Management	45,884	-	-	45,884
Dues and Licenses	2,401	-	-	2,401
Insurance	1,485	-	-	1,485
Legal	214,823	-	233,216	448,039
Media Relations	1,935	-	-	1,935
Miscellaneous	409	-	-	409
Website Maintenance	297	-	-	297
Operations and Maintenance				
Electricity	10,866	-	-	10,866
Irrigation/Water	19,995	-	-	19,995
Snow Removal	14,523	-	-	14,523
Trash and Recycling	3,853	-	-	3,853
Intergovernmental Expense - AACMD Developer	85,000	-	-	85,000
Intergovernmental Expense - AACMD	72,364	-	-	72,364
Reimbursement to Richmond	19,200	-	-	19,200
Debt Service:				
Bond Issue Costs	-	5,699,011	651,841	6,350,852
Bond Interest - Series 2020A Bonds	-	270,000	-	270,000
Paying Agent Fee	-	5,000	-	5,000
Capital:				
Capital Outlay	-	-	5,997,041	5,997,041
Intergovernmental Expense - AACMD Developer	-	-	-	-
Reimbursement	-	-	38,697	38,697
Intergovernmental Expense - AACMD	-	-	40,925,531	40,925,531
Total Expenditures	<u>666,264</u>	<u>5,974,011</u>	<u>47,850,118</u>	<u>54,490,393</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(602,636)</b>	<b>(5,679,011)</b>	<b>(47,850,118)</b>	<b>(54,131,765)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
2020A Bond Proceeds	-	-	27,951,921	27,951,921
2020B Bond Proceeds	-	-	5,107,541	5,107,541
Bond Proceeds Series 2021A	-	297,464,000	-	297,464,000
Payment to Refunding Agent	-	(111,646,993)	-	(111,646,993)
Developer Advances	275,000	-	6,579,390	6,854,390
Developer Reimbursements	-	-	38,697	38,697
Repay Developer Advance Principal	-	-	(9,729,597)	(9,729,597)
Repay Developer Advance Interest	-	-	(885,282)	(885,282)
Transfer from AACMD- Debt Assumption	-	-	420,906	420,906
Transfer from Other Funds	294,950	5,000	180,117,241	180,417,191
Transfer to Other Funds	-	(180,117,241)	(299,950)	(180,417,191)
Total Other Financing Sources (Uses)	<u>569,950</u>	<u>5,704,766</u>	<u>209,300,867</u>	<u>215,575,583</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(32,686)</b>	<b>25,755</b>	<b>161,450,749</b>	<b>161,443,818</b>
Fund Balances - Beginning of Year	94	20,000	305,004	325,098
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<b>\$ (32,592)</b>	<b>\$ 45,755</b>	<b>\$ 161,755,753</b>	<b>\$ 161,768,916</b>

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 161,443,818

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital related activity in the current period.

Capital Outlay	5,997,041
Transfer of Capital Assets from AACMD	37,585,657

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Current Year Bond Issuance	(330,523,462)
Current Year Developer Advances	(6,854,390)
Repayment of Developer Advances	9,729,597
Repayment of Developer Advances - Accrued Interest	885,282
Payment to Escrow Agent	111,646,993
Transfer of Developer Advances from AACMD - Principal	(415,353)
Transfer of Developer Advances from AACMD - Interest	(5,553)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds Payable - Change in Liability	(7,179,345)
Accrued Interest on Developer Advances Payable - Change in Liability	(621,763)

Change in Net Position of Governmental Activities	\$ (18,311,478)
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**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Homeowner Maintenance Fees	\$ 402,000	\$ 44,098	\$ (357,902)
Intergovernmental Transfers	18,652	19,530	878
Park/Open Space Fees	23,149	-	(23,149)
Special Assessments	3,930	-	(3,930)
Total Revenues	<u>447,731</u>	<u>63,628</u>	<u>(384,103)</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	90,000	84,651	5,349
Audit	10,000	-	10,000
Billing and Fee Collection	18,090	23,095	(5,005)
Community Management	33,500	33,000	500
Community Relations	-	7,273	(7,273)
Covenant Enforcement	4,500	25,210	(20,710)
District Management	85,000	45,884	39,116
Dues and Licenses	2,000	2,401	(401)
Insurance	25,000	1,485	23,515
Legal	90,000	214,823	(124,823)
Media Relations	-	1,935	(1,935)
Miscellaneous	-	409	(409)
Website Maintenance	7,000	297	6,703
Operations and Maintenance			
Detention Pond Maintenance	10,000	-	10,000
Electricity	4,061	10,866	(6,805)
Irrigation/Water	81,218	19,995	61,223
Landscape Maintenance	411,435	-	411,435
Mailbox Maintenance	1,500	-	1,500
Parks and Trails	13,000	-	13,000
Parks and Open Space	132,750	-	132,750
Snow Removal	133,589	14,523	119,066
Trash and Recycling	5,025	3,853	1,172
Winter Watering	10,000	-	10,000
Intergovernmental Expense - AACMD Developer	-	85,000	(85,000)
Intergovernmental Expense - AACMD	-	72,364	(72,364)
Reimbursement to Richmond	-	19,200	(19,200)
Contingency	71,082	-	71,082
Total Expenditures	<u>1,238,750</u>	<u>666,264</u>	<u>572,486</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(791,019)	(602,636)	188,383
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	795,715	275,000	(520,715)
Transfer from Other Funds	-	294,950	294,950
Total Other Financing Sources (Uses)	<u>795,715</u>	<u>569,950</u>	<u>(225,765)</u>
<b>NET CHANGE IN FUND BALANCE</b>	4,696	(32,686)	(37,382)
Fund Balance - Beginning of Year	<u>148</u>	<u>94</u>	<u>(54)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 4,844</u>	<u>\$ (32,592)</u>	<u>\$ (37,436)</u>

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

The Aurora Highlands Community Authority Board (CAB), a political subdivision and public corporation of the state of Colorado, was established on November 21, 2019, and is governed pursuant to the power of Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1-203 and 203.5, C.R.S. Throughout 2021, the CAB operated under the First Amended and Restated Establishment Agreement entered into on April 16, 2020,(subsequently amended pursuant to the Second Amended and Restated Establishment Agreement dated April 27, 2022) (CABEA), by and between Aerotropolis Area Coordinating Metropolitan District (AACMD), The Aurora Highlands Metropolitan Districts Nos. 1-3 (TAH 1-3), and ATEC Metropolitan Districts Nos. 1-2 (ATEC 1-2, and collectively with AACMD and TAH 1-3, CAB Districts). It is anticipated that three additional metropolitan districts, The Aurora Highlands Metropolitan District Nos. 4-6, will adopt the CABEA and become CAB Districts in 2022. The CAB's service area is within the boundaries of The Aurora Highlands master planned development, which is located in Adams County, Colorado, within the City of Aurora (City) and consists of the combined service areas of the CAB Districts. As set forth in the CABEA, the primary purpose of the CAB is to coordinate the development of public improvements for the benefit of the CAB Districts, the residents, and property owners, and to own, operate, and maintain all public improvements within the service area.

The CAB follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The members of the Board of Directors for the CAB are appointed by the CAB Districts. The CAB is financially accountable for the CAB Districts and shall provide administrative services to the CAB Districts listed in the CABEA, but the CAB is not considered a component unit of any other primary governmental entity, including the CAB Districts, nor are any of the CAB Districts considered a component unit of the CAB.

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

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the CAB are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by charges for services, operating contributions, and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the CAB. The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CAB considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are system development fees, homeowner maintenance fees and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the CAB. The CAB determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The CAB reports the following major governmental funds:

The General Fund is the CAB's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on bonds issued by the CAB.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**Budgets**

In accordance with the State Budget Law, the CAB's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The CAB's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The CAB amended its budget for the year ended December 31, 2021.

**Pooled Cash and Investments**

The CAB follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Capital Assets**

Capital assets, which include property and infrastructure improvements, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the CAB's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the CAB's practice to use the most restrictive classification first.

**Deficits**

General Fund had a deficit fund balance in the amount of \$32,592 reported in the fund financial statements as of December 31, 2021. It is anticipated that this deficit will be eliminated with intergovernmental revenues in 2022.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 78,151
Cash and Investments - Restricted	<u>168,044,135</u>
Total Cash and Investments	<u>\$ 168,122,286</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 268,315
Investments	<u>167,853,971</u>
Total Cash and Investments	<u>\$ 168,122,286</u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

On December 31, 2021, the CAB's cash deposits had a bank balance of \$324,765 and a carrying balance of \$268,315.

**Investments**

The CAB has not adopted a formal investment policy; however, the CAB follows state statutes regarding investments.

The CAB generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the CAB is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2021, the CAB had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
JP Morgan 100% U.S. Treasury Securities	Weighted-Average Under 60 Days	<u>\$ 167,853,971</u>
		<u>\$ 167,853,971</u>

**JP Morgan 100% U.S. Treasury Securities Portfolio**

The capital project monies that are included in the trust account at Zions Bancorporation, National Association, are invested in the JP Morgan 100% U.S. Treasury Securities Portfolio. This portfolio is a money market fund that is managed by J.P. Morgan Asset Management, and each share is maintained at a net asset value ("NAV") of \$1.00 per share. The fund is AAAM rated by S&P Rating and invests solely in debt securities of the U.S. Treasury, including Treasury bills, bonds, and notes. The dollar-weighted average maturity of the underlying securities is 60 days or less. The fund records its investments based on amortized costs.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance - December 31, 2020	Additions	Retirement	Balance - December 31, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 69,043,034	\$ 43,582,698	\$ -	\$ 112,625,732
Total Capital Assets, Not Being Depreciated	69,043,034	43,582,698	-	112,625,732
Governmental Activities - Capital Assets, Net	\$ 69,043,034	\$ 43,582,698	\$ -	\$ 112,625,732

AACMD acts as Project Manager to the CAB per a Project Management Intergovernmental Agreement (described in Note 6). All construction in progress benefitting the CAB Districts shall be transferred to the CAB. The CAB shall own, operate, and maintain all public improvements unless and until such public improvements are dedicated to the City or other appropriate governmental entity for perpetual ownership and maintenance.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the CAB's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Assumptions	Adjustments	Retirements	Balance - December 31, 2021	Due Within One Year
Governmental Activities							
Bonds Payable							
Special Tax Revenue Refunding and Improvement Bonds							
Series 2021A	\$ -	\$ 297,464,000	\$ -	\$ -	\$ -	\$ 297,464,000	\$ -
Accrued Interest on:							
Series 2021A	-	427,605	-	-	-	427,605	-
Subtotal of Bonds Payable	-	297,891,605	-	-	-	297,891,605	-
Bonds from Direct Borrowings							
Special Tax Revenue							
Draw-Down Bonds:							
Series 2020A	63,972,452	27,951,921	-	-	91,924,373	-	-
Series 2020B	6,068,118	5,107,541	-	-	11,175,659	-	-
Accrued Interest on:							
Series 2020A	1,757,026	6,425,567	-	-	8,182,593	-	-
Series 2020B	38,195	596,173	-	-	634,368	-	-
Subtotal of Bonds from Direct Borrowings	71,835,791	40,081,202	-	-	111,916,993	-	-
Other Debts							
Developer Advances:							
Operations	1,088,670	275,000	-	-	-	1,363,670	-
Capital	2,863,100	6,579,390	415,353	128,246	9,729,597	-	-
Accrued Interest on:							
Developer Advances - Operations	82,631	100,857	-	-	-	183,488	-
Developer Advances - Capital	230,577	650,618	5,553	1,466	885,282	-	-
Subtotal - Other Debts	4,264,978	7,605,865	420,906	129,712	10,614,879	1,547,158	-
Total Long-Term Obligations	\$ 76,100,769	\$ 345,578,671	\$ 420,906	\$ 129,712	\$ 122,531,872	\$ 299,438,763	\$ -

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Special Tax Revenue Draw-Down Bonds, Series 2020A** (2020A Bonds) and **Special Tax Revenue Draw-Down Bonds, Series 2020B** (2020B Bonds, and together with the 2020A Bonds, 2020 Bonds).

**2020 Bond Details**

The CAB issued the 2020 Bonds on June 30, 2020, with an estimated par amount of \$165,159,327 for the 2020A Bonds and \$32,338,830 for the 2020B Bonds. The 2020 Bonds were issued on a “draw-down” basis, so that advances of the purchase price of the 2020 Bonds may be made by the Bond Purchaser to the Trustee in multiple installments in accordance with the terms and provisions of the 2020A and 2020B Indentures of Trust.

Prior to the refunding of the 2020 Bonds (see below), the CAB issued sixteen (16) draws of the 2020A Bonds in the total amount of \$91,924,373, and three (3) draws of the 2020B Bonds in the total amount of \$11,175,659. Proceeds of the draws on the 2020 Bonds were used to pay the costs of issuance, establish an annual administrative reserve, repay principal and accrued interest on capital developer advances, purchase capital infrastructure from the Developer, and transfer to AACMD to fund current capital expenditures and establish a construction reserve.

The 2020A Bonds and the 2020B Bonds bore interest at the rates of 8% and 9% per annum, respectively, and were structured as “cash flow” bonds, which means that no regularly scheduled payments of principal were due prior to the scheduled maturity date of December 15, 2059. Interest was payable from available Pledged Revenue on each December 15 of each year.

On December 22, 2021, the CAB refinanced the 2020A Bonds and the 2020B Bonds using proceeds from the 2021A Bonds as detailed below.

**Special Tax Revenue Refunding and Improvement Bonds, Series 2021A** (2021A Bonds) and **2021B Special Tax Revenue Draw Down Bonds, Series 2021B**, (2021B Bonds and together with the 2021A Bonds, 2021 Bonds).

**2021 Bond Details**

On December 22, 2021, the CAB issued the 2021A Bonds in the aggregate principal amount of \$297,464,000 and 2021B Bonds in the maximum aggregate principal amount of up to \$70,000,000.

**2021A Bonds**

The 2021A Bonds bear interest at the rate of 5.75% per annum and are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date of December 1, 2051. Proceeds from the sale of the 2021A Bonds were used to (a) refund the CAB’s 2020A Bonds and Series 2020B Bonds; (b) pay or reimburse Project Costs; and (c) pay certain costs incurred in connection with the issuance of the 2021A Bonds and the 2021B Bonds.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**2021 Bond Details (Continued)**

**2021A Bonds (Continued)**

Principal on the 2021A Bonds is payable on each December 1 from and to the extent of Pledged Revenue, if any, pursuant to a mandatory redemption. Interest not paid when due shall compound each December 1. To the extent any principal is not paid when due, such principal is to remain outstanding and is to continue to bear interest until the earlier of its payment or December 2 of the fiftieth year after the year in which the Last Residential District (as defined in the 2021A Trust Indenture) first imposed its debt service mill levy, regardless of the amount of principal and interest paid prior to such Termination Date, at which time all outstanding 2021A Bonds and the interest thereon shall be deemed to be paid, satisfied and discharged.

The 2021A Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2028, to November 30, 2029	3.00%
December 1, 2029, to November 30, 2030	2.00
December 1, 2030, to November 30, 2031	1.00
December 1, 2031, and thereafter	0.00

The 2021A Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived from the following sources, net of any costs of collection:

- (a) the Debt Service Property Tax Revenues of the TAH 1-3, AACMD, and ATEC 2 (Taxing Districts) derived from imposition by each of the Taxing Districts of its Required Debt Service Mill Levy;
- (b) the Debt Service Specific Ownership Tax Revenues of each of the Taxing Districts;
- (c) the Debt Service PILOT Revenues of each of the Taxing Districts;
- (d) the Single-Family Residential Facilities Fees; and
- (e) collected within the CAB service area any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**2021 Bonds Details (Continued)**

**2021A Bonds (Continued)**

Each of the Taxing Districts is required, pursuant to individual Revenue Pledge Agreement (Note 6) with the CAB, to impose an ad valorem mill levy upon all taxable property within the Taxing District's boundaries beginning in the tax levy year 2024 (for collection in 2025), with respect to TAH 1 or ATEC 2, or in the first tax levy year in which the assessed valuation is equal to or greater than \$10,000,000, with respect to TAH 3 and AACMD.

The Required Debt Service Mill Levy shall be imposed (a) for TAH 1-3, in the amount of 50 mills; (b) for ATEC 2, in the amount of 29 mills; and (c) for AACMD in the amount of 29 or 50 mills, as determined by whether the property within AACMD's boundaries is developed for residential, non-residential, or high-density residential uses, all as subject to adjustment for changes in the ratio of actual valuation to assessed valuation on or after January 1, 2004.

**2021B Bonds**

Concurrently with the issuance of the 2021A Bonds, the CAB also issued its 2021B Bonds. The purposes of the 2021B Bonds are to (i) pay or reimburse Project Costs, (ii) pay Draw Fees, and (iii) pay Working Capital Costs (Bond Purposes).

The 2021B Bonds constitute draw down obligations of the CAB, and the principal amount thereof at issuance was zero. Draws on the 2021B Bonds shall bear interest at a variable rate reset annually on each anniversary of the initial draw date. The interest rate is the Municipal Market Data (MMD) BBB, 30-year index on the Annual Interest Reset Date plus 5.0%, with a maximum interest rate of 9.0% per annum. The 2021B Bonds are payable to the extent of Subordinate Pledged Revenue available on December 15 of each year, commencing on December 15 of the first year in which no Series 2021A Senior Bond is outstanding, and mature on December 15, 2061.

To the extent principal of any 2021B Bond is not paid on or prior to the maturity date of such Bond, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2021B Bond, and to the extent interest on any 2021B Bond is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 2021B Bond.

Subordinate Pledged Revenue means all Senior Pledged Revenue available and remaining on and after the first date on which no Series 2021A Senior Bonds are outstanding. No Pledged Revenue may be applied to the payment of the 2021B Bonds until the earlier of the date all amounts due and payable on the 2021A Senior Bonds have been paid or the Termination Date.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**2021 Bonds Details (Continued)**

**2021B Bonds (Continued)**

**Events of Default**

Events of default under the 2021 Bonds occur if the CAB does not apply Pledged Revenue in accordance with the Indentures of Trust, and other customary terms and conditions consistent with normal municipal financings as described in the Indentures of Trust.

The annual debt service requirements of the 2021A and 2021B Bonds are not currently determinable since they are payable only from available Pledged Revenue.

**Authorized Debt**

The CAB's authority to issue debt is limited by and to the extent of the authority of the CAB Districts' Service plans debt authorization limits. Although the eligible electors voting in the CAB Districts' elections have voted to authorize debt in excess of their respective Service Plan limitations, neither the CAB Districts nor the CAB may issue debt in excess of the amounts authorized in the Service Plans.

	AACMD Authorized November 7, 2017 Election	TAHMD No.1 Authorized November 8, 2016 Election	TAHMD No.2 Authorized November 8, 2016 Election	TAHMD No.3 Authorized November 8, 2016 Election	ATEC No.1 Authorized November 5, 2019 Election	ATEC No.2 Authorized November 5, 2019 Election	Total Authorized November 5, 2019 Election
Streets	\$ 8,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 28,000,000,000
Water Supply System	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Storm and Sanitary Sewer	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Parks and Recreation	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Mosquito Control	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Fire Protection	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Television Relay/Translation	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Public Transportation	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Traffic and Safety Controls	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Debt Refunding	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Operations and Maintenance	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Intergovernmental Agreements	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Security	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	28,000,000,000
Total	<u>\$ 104,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>
Maximum Debt Issuance Authorized	<u>\$ 8,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt (Continued)**

	Total Authorized November 5, 2019 Election	Used for 2020 Bonds	Used for 2021 Bonds	Remaining at December 31, 2021
Streets				
Water Supply System	\$ 28,000,000,000	\$ 65,177,160	\$ 172,914,424	\$ 27,761,908,416
Storm and Sanitary Sewer	28,000,000,000	654,230	1,735,666	27,997,610,104
Parks and Recreation	28,000,000,000	3,575,580	9,485,982	27,986,938,438
Mosquito Control	28,000,000,000	633,600	1,680,935	27,997,685,465
Fire Protection	28,000,000,000	-	-	28,000,000,000
Television Relay/Translation	28,000,000,000	-	-	28,000,000,000
Public Transportation	28,000,000,000	-	-	28,000,000,000
Traffic and Safety Controls	28,000,000,000	-	-	28,000,000,000
Debt Refunding	28,000,000,000	-	-	28,000,000,000
Operations and Maintenance	28,000,000,000	-	111,646,993	27,888,353,007
Intergovernmental Agreements	28,000,000,000	-	-	28,000,000,000
Security	28,000,000,000	-	-	28,000,000,000
Total	28,000,000,000	-	-	28,000,000,000
	<u>\$ 52,000,000,000</u>	<u>\$ 70,040,570</u>	<u>\$ 297,464,000</u>	<u>\$ 363,632,495,430</u>
Maximum Debt Issuance Authorized	<u>\$ 4,000,000,000</u>	<u>\$ 70,040,570</u>	<u>\$ 297,464,000</u>	<u>\$ 3,632,495,430</u>

**Multiple-Year Operation Funding Agreement**

The CAB and Aurora Highlands, LLC (AH LLC) entered into the Multiple-Year Operating Funding Agreement (OFA) on June 23, 2020, to provide funds to the CAB for operation and maintenance expenses incurred by the CAB. Per the OFA, AH LLC agrees to advance funds for ongoing operation and maintenance expenses incurred by the CAB through December 31, 2025, in the amount not to exceed \$4,000,000 (the Maximum Shortfall Amount). The CAB agrees to repay the advances from funds available after the payment of any debt service obligations and annual operation and maintenance expenses, which repayment is subject to annual budget appropriation. Simple interest shall accrue on each advance from the date of deposit at the rate of 8% per annum. In accordance with the OFA and the CABEA, the CAB shall repay in full advances made to AACMD by AH LLC and HC Development and Management Services Inc. pursuant to an Advance and Reimbursement Agreement dated January 19, 2005 and the 2017-2018 and 2019 Operations Funding Agreements, as amended, before any payments are to be made pursuant to the OFA. Pursuant to the CABEA, as acknowledged by the OFA, the CAB has assumed AACMD's reimbursement obligations. As of December 31, 2021, outstanding advances under the OFA totaled \$1,363,670 and accrued interest of \$183,488.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Discharge of Earlier Reimbursement Obligations**

Pursuant to Waiver and Release agreements dated July 22, 2020, (i) Clayton Properties Group II, Inc., for itself and as successor in interest to C&H Ranch Company, LLC, HC Development & Management Services, Inc, Oakwood Homes, LLC and the Oakwood Entities have released AACMD from any reimbursement obligation for advances made through October 2012, and TAH 1-3 and 6 from reimbursement on advances made on or before April 1, 2007; and (ii) Green Valley Aurora, LLC and Aurora Highlands, LLC have released AACMD an TAH 1-3 and 6 from any reimbursement obligation prior to April 1, 2007.

**NOTE 6 AGREEMENTS**

**Mill Levy Policy Agreement**

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement, which was amended on December 22, 2021, to set forth the agreement of the CAB Districts that the respective obligations of each CAB District under the CABEA and the applicable Capital Pledge Agreement are fair and equitable in light of the benefits received by the CAB Districts (Mill Levy Policy Agreement). Each CAB District agrees to cooperate and coordinate with each other to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the applicable Capital Pledge Agreements. The Mill Levy Policy Agreement shall continue to be in effect until: (a) each CAB District agrees in writing to terminate the agreement; (b) no debt is outstanding; (c) all public improvements owned by the CAB or the CAB Districts have been conveyed to another governmental entity; and (d) all operations and maintenance obligations with respect to such public improvements and all other services performed by the CAB and the CAB Districts have been assumed by another governmental entity.

**Capital Pledge Agreements**

On June 30, 2020, the CAB Districts each respectively entered into the Capital Pledge Agreements (Capital Pledge Agreements) with the CAB and Zions Bancorporation, National Association, in its capacity as trustee under the 2020A and 2020B Bonds Indentures (the Indentures). Per the Capital Pledge Agreements, the CAB Districts agree to pay such portion of their operations and financing costs in accordance with the Indentures as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue (see Note 4) to the extent available to the Districts pursuant to the provisions of the Agreements and the Mill Levy Policy Agreement.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Capital Pledge Agreements (Continued)**

In order to fund their payment obligations related to financing costs, the CAB Districts shall impose the Required Debt Service Mill Levy, in addition to all other taxes and direct annual taxes, so long as the Bonds or additional obligations remain outstanding and shall remit all their Pledged Revenue and Subordinate Pledged Revenue to the CAB. The Required Debt Service Mill Levy shall be determined by the CAB each year in accordance with the Mill Levy Policy Agreement and the requirements of the Capital Pledge Agreements. In addition, per the AACMD Capital Pledge Agreement, the Required Debt Service Mill Levy shall be determined on and after the date that the assessed valuation of AACMD is equal or greater than \$1,000,000.

In order to fund their payment obligations related to operations costs, TAH 1-3 and ATEC .2 shall impose the Required Operations Mill Levy, in addition to all other taxes and direct annual taxes, so long as the Bonds or additional obligations remain outstanding, to the extent required to provide for payment of the operations costs and shall promptly transfer their operations revenue to the CAB. The Required Operations Mill Levy shall be determined by the CAB each year in accordance with the Mill Levy Policy Agreement and the requirements of the Capital Pledge Agreements.

The Capital Pledge Agreements shall remain in effect until the date on which all amounts due with respect to the Bonds and any additional obligations have been defeased or paid in full, provided however, that if the payment obligation payable is not paid in full or defeased on such termination date, then the Districts shall continue to be obligated to levy the Required Debt Service Mill Levy and apply their Pledged Revenue to the repayment of such unpaid payment obligations; provided further, however, that in no event may TAH 1-3 and AACMD levy their Required Debt Service Mill Levy for longer than fifty (50) years after the year of the initial imposition of the Required Debt Service Mill Levy by the Districts in accordance with their Service Plans unless the Service Plans are amended to eliminate or extend such imposition term.

As of December 31, 2021, the CAB had Pledged Revenue available in the amount of \$315,000, which were collected by AACMD. Out of the total available, the CAB paid \$270,000 for the 2020A Bonds Interest. As of December 22, 2021, the Revenue Pledge Agreements superseded and relaced the Capital Pledge Agreements.

**Revenue Pledge Agreements**

On December 22, 2021, the CAB and each of the CAB Districts entered into separate Revenue Pledge Agreements (Pledge Agreements). Per the Pledge Agreements, each CAB District is required to impose a debt service mill levy and pledge the revenues derived therefrom to the payment of the 2021 Bonds (Note 5). The Required Debt Service Mill Levy required to first be imposed by TAH 1 in levy year 2024 (for collection in 2025), by TAH 2-3, AACMD and ATEC 2 in the year during which the actual assessed valuation of the taxable property within the relevant CAB District is equal to or more than \$10,000,000.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Revenue Pledge Agreements (Continued)**

The Pledge Agreements shall remain in effect until the date on which all amounts due with respect to the 2021 Bonds and any additional obligations have been defeased or paid in full, provided however, that if the payment obligation payable is not paid in full or defeased on such termination date, then the Districts shall continue to be obligated to levy the Required Debt Service Mill Levy and apply their Pledged Revenue to the repayment of such unpaid payment obligations; provided further, however, that in no event may TAH 1-3 and AACMD levy their Required Debt Service Mill Levy for longer than fifty (50) years after the year of the initial imposition of the Required Debt Service Mill Levy by the Districts in accordance with their Service Plans unless the Service Plans are amended to eliminate or extend such imposition term.

The Pledge Agreements additionally require the CAB Districts to impose the Required Operations Mill Levy. TAH 1-2 and AACMD are required to impose 70 mills less the number of mills equal to the Required Debt Service Mill Levy; and TAH 3 and ATEC 1-2 are required to impose the Required Operations Mill Levy not exceeding 70 and 35 mills correspondingly. Such number of mills is subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2004), net of the costs of collections and any tax refunds or abatements authorized by or on behalf of the County. The Required Operations Mill Levy will be provided to the CAB for the purpose of funding the CAB's operating costs.

**Capital Construction and Reimbursement Agreement (In-Tract Improvements)**

On December 22, 2021, the CAB entered into the Amended and Restated Capital Construction and Reimbursement Agreement (Agreement) with AH LLC to amend and restate the Capital Construction and Reimbursement Agreement dated June 24, 2020. Pursuant to the Amended Agreement, AH LLC will, on occasion, advance funds to the CAB for the payment of Construction related expenses (as defined in the Agreement). The Agreement also authorizes the CAB and AH LLC to enter into Waiver and Release of Reimbursement Rights Agreement(s) with builders providing that the builders of certain public improvements (In-Tract Improvements) within the CAB's service area waive any right to reimbursement for the Construction Related Expenses thereof in favor of reimbursement for all such costs to AH LLC. After acceptance of the In-Tract Improvements by the CAB, the verified costs thereof will be exchanged for equivalent value of 2021 Bonds and in accordance with the 2021 Bonds Indentures. The costs of the improvements are to be certified by an independent engineer as being reasonable and comparable for similar projects constructed in the local community. 2021 Bonds shall be issued to the Developer for equivalent value of verified costs and developer advances. As of December 31, 2021, the CAB has entered into Waiver and Release of Reimbursement Rights Agreements with Taylor Morrison of Colorado, Inc., Tri-Pointe Homes Holdings, Inc., Pulte Home Company, LLC, and Richmond American Homes of Colorado, Inc.

Amounts advanced to the CAB by AH LLC for the Verified Costs of Construction Related Expenses are to accrue interest at the rate of 8% per annum for In-Tract Improvements. Per the CABEA, in 2021, the CAB utilized a portion of 2021A Bonds to pay for prior capital costs certified by an independent engineer in the amount of \$1,541,204.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Inclusion Agreements**

Effective June 29, 2020, AACMD entered into Inclusion Agreements with landowners (Owners) within its service area including Aurora Tech Center Holdings; GVR King Commercial, Aurora Highlands, Aurora Highlands Holdings, GVR King, GVRE 470, Green Valley East, and SJSA Investments (Inclusion Agreements). Under the Inclusion Agreements, AACMD agreed to cause the inclusion of real property into one of the CAB Districts upon a triggering event. The Inclusion Agreements were amended and restated on December 22, 2021 (Amended and Restated Inclusion Agreements). Under the Amended and Restated Inclusion Agreements, the Owners and AACMD agree to execute and process petitions for inclusion of real property into one of the CAB Districts upon the earlier to occur of (a) the transfer of title to real property to a third party, or (b) the issuance of a building permit for the real property. Upon inclusion of real property into any of the CAB Districts, such real property will be subject to the required mill levies imposed by the applicable CAB District.

**Project Management Intergovernmental Agreement**

On April 10, 2020, the CAB and AACMD entered into a Project Management Intergovernmental Agreement (CAB Project Management IGA) to set forth the parties' understanding regarding the terms under which AACMD will coordinate the design, testing, engineering, and construction of the Public Improvements (as defined in the CAB Project Management IGA) on behalf of the CAB Districts and the CAB.

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

On June 23, 2020, the CAB, ATEC No. 1 and AH LLC entered into an Intergovernmental Agreement Regarding Coordination of Facilities Funding for ATEC Metropolitan District No. 1 Projects (ATEC Coordination IGA). The ATEC Coordination IGA sets forth the rights, obligations, and procedures with respect to the issuance of Additional Bonds to be issued by the CAB, construction of the Improvements (as defined in the ATEC Coordination IGA), and reimbursement of AH LLC. On December 22, 2021, ATEC 1, the CAB, and Aurora Tech Center Development, LLC entered into a termination of the ATEC Coordination IGA in connection with an issuance of 2021A Bonds.

**Agreement Regarding Coordination of Facilities Funding for ATEC Development Area**

On December 22, 2021, the CAB and Aurora Tech Center Development, LLC (ATCD LLC) entered into an Agreement Regarding Coordination of Facilities Funding for ATEC Development Area (ATEC Coordination Agreement). The ATEC Coordination Agreement sets forth rights, obligations, and procedures with respect to the issuance of the CAB obligations, construction of the ATEC Improvements (as defined in the ATEC Coordination Agreement), and reimbursement of ATCD LLC.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Operation and Maintenance Fee Resolution**

Pursuant to Resolution No. 2020-10-01, the CAB has adopted an Operation and Maintenance Fee (the O&M Fee) to support the continuing operations and maintenance needs of certain facilities and improvements and to provide certain services for the benefit of and throughout the combined service areas of AACMD and TAH 1-3. The O&M Fee is imposed on each residential lot within TAH 1-3 in the amount of \$100/month and is subject to automatic annual adjustment based on the Consumer Price Index for the Denver-Aurora-Lakewood (CPI-U).

**Intergovernmental Agreement Regarding Sharing of Tax Revenue and Services**

Effective January 1, 2021, the CAB and TAH 6 entered into an Intergovernmental Agreement Regarding Sharing of Tax Revenue and Services (TAH 6 IGA) pursuant to which the CAB agreed to provide for the planning, design, and construction of public improvements on behalf of TAH 6, and TAH 6 agreed to remit or transfer all ad valorem property taxes to the CAB within 30 days of the receipt thereof to cover all such costs. Subsequently, in 2022, TAH 6 adopted the CABEA, which addresses the same subject matter reflected in the TAH 6 IGA.

**Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction**

Effective November 24, 2021, the CAB and Aerotropolis Regional Transportation Authority (ARTA) entered into an Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction (RTS IGA). The RTS IGA allows the CAB, at its discretion and at different times during the term of the RTS IGA, to undertake or cause to be undertaken, as necessary, the planning, design, funding and/or completion of certain ARTA regional transportation system projects and accelerate the completion of such projects ahead of ARTA's intended milestones and capital construction schedule. In the event the CAB accelerates any regional transportation system projects under the RTS IGA, ARTA agrees to promptly reimburse the CAB for the actual costs incurred, subject to the availability of adequate funds and appropriations.

**NOTE 7 NET POSITION**

The CAB has net position consisting of two components – restricted and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The CAB had the following restricted net position as of December 31, 2021:

Emergency Reserves	\$ 1,909
Total	<u>\$ 1,909</u>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 NET POSITION (CONTINUED)**

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. As of December 31, 2021, the CAB had deficit unrestricted net position in the amount of \$25,046,024.

**NOTE 8 INTERFUND TRANSFERS/DUE TO OTHER DISTRICTS**

Transfers from the Capital Project Fund to the General Fund and the Debt Service Fund were used to fund operating and debt service costs of the CAB.

Transfers from the Debt Service to the Capital Project Fund are proceeds from the 2021A Bonds and will be used to fund capital improvements.

Some costs of construction were incurred by AACMD in 2021 but funds related to the costs were financed and transferred to AACMD by the CAB in 2022. Such costs in the amount of \$6,531,469 were recorded as due to AACMD in the Statement of Net Position.

**NOTE 9 RELATED PARTIES**

The property within the CAB service area is being developed by AH LLC (Developer) and/or entities affiliated with the Developer. A significant portion of the property located within the CAB's service area is owned by entities affiliated with the Developer. The CAB has six Board members. Three of the six Board members of the CAB are affiliated with the Developer. Of the three members of the CAB Board who are not affiliated with the Developer, one is an employee of a company providing consulting services to AACMD, one is the spouse of the Board member who is an employee of the company providing such consulting services, and one is the spouse of a Board member who is affiliated with the Developer. As such, these Board members may have conflicts of interest in dealing with the CAB.

**NOTE 10 ECONOMIC DEPENDENCY**

The CAB has not yet established a revenue base sufficient to pay all operational expenditures. Until an independent revenue base is established, continuation of operations in the CAB will be dependent upon funding by AH LLC.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 11 RISK MANAGEMENT**

The CAB is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The CAB is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The CAB pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations that apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The CAB's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
System Development Fees	\$ 837,500	\$ 322,500	\$ 295,000	\$ (27,500)
Total Revenues	837,500	322,500	295,000	(27,500)
<b>EXPENDITURES</b>				
Bond Interest - Series 2020A Bonds	619,297	-	270,000	(270,000)
Cost of Issuance	-	23,000,000	5,699,011	17,300,989
Paying Agent Fee	-	5,000	5,000	-
Contingency	218,203	4,871,428	-	4,871,428
Total Expenditures	837,500	27,876,428	5,974,011	21,902,417
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	(27,553,928)	(5,679,011)	21,874,917
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds Series 2021A	-	375,000,000	297,464,000	(77,536,000)
Bond Proceeds Series 2021B	-	140,000,000	-	(140,000,000)
Payment to Refunding Agent	-	(111,666,072)	(111,646,993)	19,079
Transfer from Other Funds	-	-	5,000	5,000
Transfer to Other Funds	-	(350,800,000)	(180,117,241)	170,682,759
Total Other Financing Sources (Uses)	-	52,533,928	5,704,766	(46,829,162)
<b>NET CHANGE IN FUND BALANCE</b>				
	-	24,980,000	25,755	(24,954,245)
Fund Balance - Beginning of Year	-	20,000	20,000	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 25,000,000</b>	<b>\$ 45,755</b>	<b>\$ (24,954,245)</b>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other Income	\$ 5,798	\$ -	\$ -	\$ -
Total Revenues	5,798	-	-	-
<b>EXPENDITURES</b>				
Accounting	-	5,000	3,792	1,208
Legal	-	258,000	233,216	24,784
Bond Issue Costs	1,144,832	660,000	651,841	8,159
Capital Outlay	-	6,000,000	5,997,041	2,959
Intergovernmental Expense - AACMD Construction	40,000,000	41,386,454	32,150,683	9,235,771
Intergovernmental Expense - AACMD Construction Reserve	-	2,000,000	2,000,000	-
Intergovernmental Expense - AACMD ARTA	-	6,192,500	6,192,500	-
Intergovernmental Expense - AACMD Developer	-	671,046	582,348	88,698
Intergovernmental Expense - AACMD Developer Reimbursement	-	-	38,697	(38,697)
Contingency	237,127	9,112,756	-	9,112,756
Total Expenditures	41,381,959	66,285,756	47,850,118	18,435,638
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(41,376,161)	(66,285,756)	(47,850,118)	18,435,638
<b>OTHER FINANCING SOURCES (USES)</b>				
2020A Bond Proceeds	41,000,000	28,000,000	27,951,921	(48,079)
2020B Bond Proceeds	-	5,200,000	5,107,541	(92,459)
Developer Advances	-	6,618,088	6,579,390	(38,698)
Developer Reimbursements	-	-	38,697	38,697
Transfer from Other Funds	-	350,800,000	180,117,241	(170,682,759)
Transfer to Other Funds	-	-	(299,950)	(299,950)
Transfer from AACMD- Debt Assumption	-	-	420,906	420,906
Repay Developer Advances - Principal	-	(9,314,244)	(9,729,597)	(415,353)
Repay Developer Advances - Interest	-	(900,000)	(885,282)	14,718
Total Other Financing Sources (Uses)	41,000,000	380,403,844	209,300,867	(171,102,977)
<b>NET CHANGE IN FUND BALANCE</b>	(376,161)	314,118,088	161,450,749	(152,667,339)
Fund Balance - Beginning of Year	376,161	305,004	305,004	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 314,423,092	\$ 161,755,753	\$ (152,667,339)