

**SOUTH AURORA REGIONAL IMPROVEMENT
AUTHORITY ESTABLISHMENT AGREEMENT**

by and among

THE CITY OF AURORA, COLORADO,

and

THE SPECIAL DISTRICTS IDENTIFIED IN EXHIBIT A HERETO

Dated as of _____, 2017

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**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
ESTABLISHMENT AGREEMENT**

THIS SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY ESTABLISHMENT AGREEMENT ("Agreement"), entered into as of the ____ day of _____, 2017, by and among the **CITY OF AURORA, COLORADO**, a home rule city and political subdivision of the State of Colorado ("Aurora"), and the signatory special districts identified in Exhibit A hereto (each a "District" and collectively, the "Districts") all of which are quasi-municipal corporations and political subdivisions of the State of Colorado, all signatories hereto being referred to collectively in this Agreement as the "Parties" and each individually as a "Party;"

W I T N E S S E T H:

WHEREAS, Aurora is a home-rule municipal corporation and political subdivision of the State of Colorado created pursuant to Article XX of the Constitution of the State of Colorado; and

WHEREAS, the Districts are quasi-municipal corporations and political subdivisions of the State of Colorado, organized for the purpose, among others, of assisting in the financing and construction of public improvements within certain areas located within Aurora; and

WHEREAS, certain regional improvement projects (the "Regional Improvements") identified in Exhibit B hereto, as it may be amended from time to time, are contemplated to benefit Aurora, the Districts, their constituents and the public; and

WHEREAS, the Parties have a compelling mutual interest in developing and coordinating plans, present and future, for the Regional Improvements to promote the public welfare; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(a), provides that the Constitution shall not be interpreted to prohibit the state or any of its political subdivisions from making the most efficient and effective use of their powers by cooperating and contracting with each other; and

WHEREAS, the Constitution of Colorado, Article XIV, Section 18(2)(b), provides that the Constitution shall not be interpreted to prohibit the enactment of a statute authorizing political subdivisions to establish a separate governmental entity to provide any function, service, or facility lawfully authorized to each of the contracting political subdivisions; and

WHEREAS, Section 29-1-201, C.R.S., permits and encourages governments to make the most efficient and effective use of their powers by cooperating and contracting with other governments; and

WHEREAS, Section 29-1-203, C.R.S., authorizes governments to contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units through the establishment of a separate legal entity; and

WHEREAS, the City Code of the City of Aurora (the "Code") prescribes the method of formation of intergovernmental entities such as the Authority; and

WHEREAS, each District operates under a service plan approved by Aurora (a "Service Plan") which requires the imposition of taxes by such District for Regional Improvements and allows the Districts to enter into an "ARI Authority Establishment Agreement" in the manner provided by the Code; and

WHEREAS, the Parties desire to enter into this Agreement to establish a separate legal entity in conformity with and subject to Section 29-1-203.5, C.R.S., to provide certain of the Regional Improvements for any of the functions, services, or facilities permitted by the Constitution and laws of Colorado and in accordance with the provisions of this Agreement; and

WHEREAS, the Parties intend, by entering into this Agreement, that the Authority hereby created be a "public entity" as defined in Part 1 of Article 10, Title 24, C.R.S., as amended; and

WHEREAS, it is in the best interest of the Parties and for the public health, safety, convenience, and welfare of the residents of Aurora and the Districts that the Parties enter into this Agreement for the purpose of forming the Authority to provide the functions and services necessary to acquire, construct, finance, maintain and manage the Regional Improvements that may be identified and agreed upon by the Parties from time to time.

NOW, THEREFORE, in consideration of the mutual covenants, obligations, and conditions expressed in this Agreement, it is agreed by and between the Parties, as follows:

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.01. Definitions. The following terms should have the meanings specified in this section unless the context clearly requires a different meaning.

"*Agreement*" means this South Aurora Regional Improvement Authority Establishment Agreement dated as of _____, 2017, as it may be amended from time to time.

"*ARI Master Plan*" means a master plan for the Regional Improvements adopted by the Authority pursuant to the Code and the Service Plans of the Districts.

"*ARI Mill Levy*" means the mill levy of a District imposed and collected pursuant to its Service Plan.

"*Aurora*" means the City of Aurora, a home rule city and political subdivision of the State of Colorado.

"*Board*" means the Board of Directors of the Authority.

"*Code*" means the City Code of the City.

"County" means Arapahoe or Douglas County, Colorado, as the context requires.

"C.R.S." means the Colorado Revised Statutes.

"District" or "Districts" means the special districts identified in Exhibit A hereto as Parties to this Agreement.

"Event of Default" means those events described in Section 8.01 hereof.

"Parties" means, collectively, the City and the Districts.

"Public Utilities Commission" means the Public Utilities Commission of the State of Colorado, established pursuant to Colo. Const. Art. XXV.

"Quorum" means, with reference to the Board, a majority of the Board members by Voting Power.

"Regional Improvements" means the projects identified in Exhibit B hereto.

"Service Plan" means, with respect to any District, the service plan for such District approved by the City pursuant to the Code and the Special District Control Act.

"Special District Control Act" means Part 2 of Article 1, Title 32, Colorado Revised Statutes, as amended.

"Special Districts" means special districts organized pursuant to Parts 2 and 3 of Article 1, Title 32, C.R.S.

"Supermajority" means at least 67% of the votes cast by a Quorum of the Board.

"Voting Power" means, in the case of Board members appointed by the Parties, one vote for each Board member, provided that for purposes of establishing a Quorum, or in the case of any vote on the adoption or modification of an ARI Master Plan or the prioritization of Regional Improvements, the Board member representing Aurora shall have 45% of the total Voting Power of the Board expressed in a number of votes, which number shall be adjusted from time to time to account for the addition of new Parties, so as to preserve Aurora's 45% Voting Power.

Section 1.02. Rules of Interpretation.

(a) Any reference herein to any officer or member of the governing body of a Party shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Headings of Articles and Sections herein and in the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

ARTICLE II

CREATION OF THE AUTHORITY

Section 2.01. Creation. Upon the mutual execution of this Agreement by the original Parties hereto, there is hereby established by this Agreement a separate legal entity and public corporation and political subdivision of the State of Colorado to be known as the South Aurora Regional Improvement Authority (the "Authority"). The Authority shall be an independent legal entity and public corporation and political subdivision of the State of Colorado, separate and distinct from the Parties.

Section 2.02. Purpose. The Authority is organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping and financing the Regional Improvements designated in ARI Master Plans, as defined in the Code as such ARI Master Plans are adopted or modified by the Authority.

Section 2.03. Boundaries. The Authority shall be authorized to act within the geographical limits shown in Exhibit C.

Section 2.04. Immunity. The Authority shall be a "public entity" as defined by the Colorado Governmental Immunity Act, Part 1 of Article 10, Title 24, as amended.

Section 2.05. Indemnification. To the extent permitted by law, the Authority shall indemnify, defend, and save harmless the Parties, their officers, agents, consultants and employees from and against any and all claims and losses whatsoever occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials, or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm, or corporation, for damage, injury or death arising out of or connected with the Authority's performance of its obligations under this Agreement.

ARTICLE III

MEMBERSHIP/ORGANIZATIONAL STRUCTURE

Section 3.01. Initial Parties. The initial Parties of the Authority shall be those Parties executing this Agreement as of the date first mentioned above.

Section 3.02. Board of Directors. The Authority shall be governed by the Board, in which all of the power of the Authority is vested and which shall exercise and perform all the powers, rights and duties vested in and imposed on the Authority by this Agreement. Each Board member shall serve at the will and pleasure of the Party that appointed the Board member. Board members shall receive compensation for their services in the maximum amount allowed

for the directors of special districts by Section 32-1-902(3), C.R.S., and reasonable expenses related to the exercise of Board functions shall be reimbursed.

Section 3.03. Composition of Board. Each Party shall be entitled to appoint one representative to the Board, each representative of whom shall be an elected official of the Party or other person designated by the applicable Party as its representative. The Parties shall appoint their representatives and establish their terms of office by motion or resolution, a copy of which shall be provided to the Authority. Each member of the Board shall subscribe to an oath of office substantially in the form of the oath described in Section 32-1-901, C.R.S. Notwithstanding the filing requirements of Section 32-1-901, C.R.S., the oath of each Party representative need only be filed with the respective Party and the Authority.

Section 3.04. Vacancies. Vacancies on the Board shall be filled by the Party jurisdiction as to which the vacancy occurs.

Section 3.05. Addition of New Parties. Additional Parties shall be Special Districts having territory within the City, and may be added by the Board upon the filing with the Authority of a written request to join, authorized by resolution of the board of directors of the Special District. Additional Special Districts may be included into the Authority upon the unanimous approval of the Board, upon the signature of Exhibit A to this Agreement by the additional Parties. The Board may establish criteria for the admission of new parties, including fees for joining the Authority. New Parties shall be allowed to appoint representatives to the Board in accordance with Section 3.03. Following the addition of a Party, the new Party, through its Board representative, shall have all of the privileges of a Party except that, until such time as such new Party has approved the ARI Master Plan or Plans then in effect, it shall not be entitled to vote on the issuance of bonds or other financial obligations of the Authority, the admission of additional Parties or modification of any existing ARI Master Plan. Prior to the time when it shall have approved the ARI Master Plan or Plans, such new Party may resign from the Authority without a vote of the other Parties.

Section 3.06. Voting and Quorum. The Board shall act only upon a duly taken vote of the Board members. A vote of the Board shall be deemed duly executed if approved by a majority vote of a Quorum of the Board. No official action may be taken by the Board on any matter unless a Quorum is present. Board members may participate in meetings by telephone in the same manner and to the same extent permitted by C.R.S. Section 11-57-211.

No debt or multiple fiscal year obligations for or on behalf of the Authority may be created without a Supermajority of the votes cast by a Quorum of the Board. Termination of this Agreement or dissolution of the Authority shall also require a Supermajority of the votes cast by a Quorum of the Board. Any other action taken by the Board shall require a simple majority vote of the Quorum in attendance.

Section 3.07. Officers. The officers of the Authority shall be a President, Secretary, and Treasurer. The Board may appoint a Vice President and as many assistant Treasurers and assistant Secretaries as the Board sees fit. In addition to duties designated by the Board, the duties of the officers shall include:

(a) The President shall preside at all meetings of the Board and, except as otherwise delegated by the Board or provided in this Agreement, shall execute all legal instruments of the Authority. In the event a Board member other than the President is designated to execute any legal instrument, such designation shall be reflected in the minutes of the meeting in which the action was approved.

(b) The Vice-President shall, in the absence of the President, or in the event of the Presidents inability or refusal to act, perform the duties of the President and when so acting shall have all the powers of and be subject to all restrictions upon the President.

(c) The Secretary shall maintain the official records of the Authority, including the minutes of the meetings of the Board, and a register of the names and addresses of the Districts, Board members and officers, and shall issue notice of meetings, attest and affix the corporate seal, as applicable, to all documents of the Authority, and perform such other duties as the Board may prescribe from time to time. The Secretary may be a consultant appointed by the Board.

(d) The Treasurer shall serve as the financial officer of the Authority.

(e) The officers of the Authority shall be elected by a majority vote of a Quorum of the Board.

Section 3.08. Bylaws and Regulations. The Authority shall have the power to adopt such bylaws and regulations as are necessary for the conduct of the Authority so long as such bylaws and regulations are not in conflict with the provisions of this Agreement.

Section 3.09. Withdrawal. Prior to its approval of an ARI Master Plan, a Party may withdraw from the Authority and be released from this Agreement, upon written notice to the other Parties. Upon approval of an ARI Master Plan by a Party (through its designated representative) a Party may be released from this Agreement only upon (1) a unanimous vote of a Quorum of the Board approving a plan for either (a) dissolution of the Authority if there are only two Parties as members of the Authority or (b) withdrawal of a Party, if there will be at least two Parties remaining upon the withdrawal of such Party; and (2) receipt of an opinion from bond counsel to the Authority to the effect that such withdrawal will not, in and of itself, adversely affect the tax-exempt status of any obligations of the Authority then outstanding.

Section 3.10. Conflict Disclosures. All Board members shall disclose conflicts of interest in the same manner required of officers of special districts under Colorado law, as the same may be amended from time to time.

Section 3.11. No Restriction on Powers of Parties. Nothing in this Agreement shall be deemed or construed to restrict, prohibit or otherwise limit the power of any Party, and no action of the Authority shall be attributable to the Parties.

Section 3.12. Dissolution of Party. If a Party is dissolved or otherwise ceases to exist then either (a) the plan for dissolution shall contain adequate provisions acceptable to the Authority for the performance of all such Party's obligations to the Authority, or (b) all such obligations shall be fully paid and performed prior to the effective date of dissolution.

ARTICLE IV

POWERS OF THE AUTHORITY

Section 4.01. Plenary Powers. Except as otherwise limited by this Agreement, the Authority, in its own name and as provided in this Agreement, shall exercise all powers lawfully authorized in Section 29-1-203 and 29-1-203.5, C.R.S., as amended, including all incidental, implied, expressed or such other powers as necessary to execute the purposes of this Agreement. The Authority shall act through its Board, its officers and employees as authorized by the Board pursuant to any motion, resolution, bylaws or regulations. The Authority shall not have the power to represent itself as, or act as agent for, or on behalf of, the individual Parties without their written consent.

Section 4.02. Enumerated Powers. The Authority's powers shall include the following:

- (a) to acquire, operate, manage, lease (as lessee or lessor), sell, construct, reconstruct or repair, or dispose of real and personal property, buildings, works, improvements, or other facilities necessary to carry out the purposes of this Agreement in the name of the Authority;
- (b) to make and enter into contracts, including, without limitation, contracts with local governmental entities, including the Parties, and other special districts, authorities, corporations, and state or federal agencies;
- (c) to make and enter into contracts, subject to payment provided by federal, state or other governmental funding, from revenues generated by the Parties and from funding, including loans, provided by the Parties, as deemed appropriate, for goods and services;
- (d) to sue and be sued in the Authority's own name;
- (e) to hire and fire agents, employees, consultants and professionals;
- (f) to approve and modify ARI Master Plans, provide for the furnishing of Regional Improvement services, privileges, works or facilities as authorized in the Districts' Service Plans; to dedicate property acquired or held by it for public works, improvements, facilities, utilities, and purposes; and to agree, in connection with any of its contracts, to any conditions that it deems reasonable and appropriate including, but not limited to, conditions attached to federal financial assistance, and to include in any contract made or let in connection with any project of the Authority provisions to fulfill such of said conditions as it may deem reasonable and appropriate;
- (g) to prepare and approve an annual budget and any necessary amended or supplemental budgets, as set forth in Section 5.02;
- (h) to adopt, modify, and amend bylaws and regulations pursuant to Section 3.08, above;

(i) to enter into agreements for the purpose of securing any necessary professional, administrative, or support services;

(j) to keep and maintain financial books and records in compliance with Section 5.05 hereof to account for all expenditures of funds, and to obtain an independent audit (or audit exemption), by certified public accountants selected by the Board, of such records annually with the audited financial statements and auditor's report thereon submitted to the Parties;

(k) to accept contributions, grants, or loans from any public or private agency, individual, or the United States or the State of Colorado or any department, instrumentality, or agency thereof, for the purpose of financing its activities

(l) to adopt financial and investment policies and invest monies remaining in any fund which are available for investment in accordance with the laws of the State of Colorado including Articles 10.5 and 47 of Title 11, C.R.S., as amended, for the investment of public funds or by public entities;

(m) to contract for goods or services;

(n) to borrow money and issue revenue bonds, notes or other obligations subject to the provisions of Section 29-1-203.5(3)(a) C.R.S., and to finance Regional Improvements in accordance with the ARI Master Plan or Plans, as amended from time to time;

(o) to enter into lease-purchase agreements which may be offered either as whole leases or with certificates of participation;

(p) to take all actions necessary or appropriate to carry out and implement the provisions of this Agreement;

(q) to have and use a corporate seal;

(r) to control and accept public rights of way; and

(s) to exercise any general power of a special district specified in part 10 of Article 1 of Title 32, C.R.S., as long as each of the parties to this Agreement may lawfully exercise the power.

Section 4.03. Implied Powers Excluded. In determining what implied powers the Authority has under this Agreement, the Authority shall not have the following powers:

(a) taxation;

(b) special assessments pursuant to Article 25 of Title 31, and Article 1 of Title 32, C.R.S., as amended;

(c) zoning or other governmental powers over land use;

- (d) building, fire code, public health and safety regulations;
- (e) imposition or assessment against the Parties to this Agreement of any fees, rates, or charges; or
- (f) eminent domain.

Section 4.04. Spending Authority. The Authority is limited in its spending powers to the annual total budget approved by a majority of the votes of a Quorum of the Board, as such budget may be amended. Annual expenditures shall not exceed revenues for the year plus beginning unreserved cash balances.

Section 4.05. No Private Inurement. No part of the assets or net earnings of the Authority shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Authority shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in exercising the powers or carrying out the purposes of the Authority.

Section 4.06. Authority Not a Public Utility. The Parties agree that the Authority is not and shall not be considered or deemed in the future a service company, or a public utility as defined in Section 40-1-103(1)(a), C.R.S., or as such terms are defined in any constitutional provision, statute, or law of the State of Colorado. The Parties further agree that in the event that the Authority is ever determined by a third party to be a public utility under Section 40-1-103(1)(a), C.R.S., the Authority shall be exempt from any regulation by the Public Utilities Commission or any other special commission, pursuant to Colorado Constitution Article XXV and Article V, Section 35. The Parties agree not to undertake any effort to request supervision, control, or regulation of this Authority, of any of the Parties, or of the property of the Authority or any Party, by the Public Utilities Commission of the State of Colorado, or any other regulatory authority claiming jurisdiction of the subject.

ARTICLE V

BUDGETS/FUNDING/DEBT

Section 5.01. Initial Contribution. The Parties agree that on execution of this Agreement each Party which has imposed an ARI Mill Levy prior to the execution of this Agreement shall pay an initial contribution to the Authority in an amount equal to its pro-rata share of the initial budget attached to this Agreement as Exhibit D. In the event a Party does not have sufficient ARI Mill Levy funds available to meet its required pro-rata share, it shall remit all ARI Mill Levy funds it has available which shall be deemed to be full satisfaction of its commitment under this Section 5.01, and such amounts will be taken into account in calculating the remaining Parties' pro-rata share of the budget. At such time as additional Parties are added, the Board shall determine their pro-rata shares of an amended budget adopted to reflect such new Parties' respective contributions and any modifications of the ARI Master Plan or Plans made in connection with their admission.

Section 5.02. Annual Budget. No later than October 15 of each year, the Board shall cause a proposed annual budget for the next fiscal year to be prepared and shall submit a copy of the proposed annual budget to the Parties. The budget adopted by the Board shall conform to the requirements of Section 29-1-101, et seq., C.R.S., as amended, and the additional requirements set forth in this Agreement. The Board may amend the budget in accordance with Section 29-1-101, et seq., C.R.S. Pursuant to Section 29-1-103(1), C.R.S., the Authority shall not be required to file a budget while the Districts are holding the revenue from the ARI Mill Levy in District accounts and the financial activities are being reported by the Districts.

Section 5.03. Funding. The Authority shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy revenues, and/or the proceeds of revenue bonds to be issued by the Authority, or may delegate and assign those rights and responsibilities to individual Parties.

Section 5.04. Operations Costs. Each of the Districts which is a Party to this Agreement agrees that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year as a part of the budget process.

Section 5.05. Books and Records. The Authority shall provide for the keeping of accurate and correct books of account in accordance with the Local Government Uniform Accounting Law, Part 5 of Article 1, Title 29, C.R.S., as amended. Unless eligible for an exemption from audit, the Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis in accordance with the Colorado Local Government Audit Law, Part 6 of Article 1, Title 29, C.R.S., as amended. The audit shall be completed within six months after the close of the fiscal year and shall be presented to the Parties no later than 30 days after receipt of the audit report by the Board. All funds received by the Authority shall be invested in accordance with state statutory requirements. Pursuant to Section 29-1-603(1), C.R.S., as amended, the Authority shall not be required to file an audit while the Districts are holding the ARI Revenue in District accounts and the financial activities are being reported by the Districts.

Section 5.06. Remittance of Funds to Authority. At such time as a District (through its designated representative) and the Board have approved an ARI Master Plan, all proceeds of such District's ARI Mill Levy will be required to be transferred to the Authority within 30 days of receipt by such District. Notwithstanding the foregoing, with the exception of the Initial Contribution as described in Section 5.01, ARI Mill Levy revenue collected by a District prior to January 1, 2017 may be retained by the District to be used for any lawful purpose of the District.

Section 5.07. Revenue Bonds. The Authority may, from time to time, issue revenue bonds or other financial obligations for any of its purposes. The bonds shall be issued pursuant to a written resolution approved by the Board and shall be payable solely out of all or a specified portion of the revenues of the Authority as designated by the Board. In addition, no debt of the Authority shall constitute the debt or financial obligation or become the responsibility of the Parties except to the extent of the pledged ARI Mill Levy revenues.

Section 5.08. Pledge of ARI Mill Levy. Upon approval of an ARI Master Plan by a District (through its designated representative) the financial obligations of the District to remit the ARI Mill Levy to the Authority hereunder shall be a multiple fiscal year financial obligation of the District, payable from ad valorem property taxes generated as a result of the certification by the District of the ARI Mill Levy. From and after the date of each District's approval of the ARI Master Plan or Plans, the District's ARI Mill Levy, as limited hereby, is hereby pledged to the punctual payment of the obligations of the Authority with respect to the Authority's revenue bonds or other financial obligations issued pursuant to Section 5.07 hereof.

For the purpose of raising revenues, and for the purpose of providing the necessary funds to make payments hereunder as the same become due, the Board of each District having approved an ARI Master Plan shall annually determine, fix and certify the ARI Mill Levy to the County. Except as limited in this Agreement, each District that has approved an ARI Master Plan covenants to levy the ARI Mill Levy, to pay the amounts to be paid hereunder.

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

Section 5.09. Effectuation of Pledge; Appropriation. Except as limited hereby, the amounts to be paid hereunder are hereby appropriated for that purpose, and such amounts shall be included in the annual budgets and the appropriation resolutions or measures to be adopted or passed by the board of directors of each District in each year this Agreement remains in effect.

No provision of any constitution, statute, resolution or other measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of a District to levy, administer, enforce and collect the ARI Mill Levy required for the payment of its obligations hereunder.

It shall be the duty of the board of directors of each District annually, at the time and in the manner provided by law for the levying of such District's taxes, to ratify and carry out the provisions hereof regarding the levy and collection of the ARI Mill Levy, and to require the officers of the District to cause the appropriate officials of the county in which it is located to levy, extend and collect said taxes in the manner provided by law.

Section 5.10. Authority Reliance; Funding Obligations Pending Dispute Resolution. Each District agrees that its funding obligations set forth in this Agreement are absolute, irrevocable, unconditional and irrevocable within the meaning of Article XI, Section 6 of the Colorado Constitution. The Districts agree that their authority to modify this Agreement is limited so as to prohibit a repeal of the obligations in this Agreement. The Districts each agree, notwithstanding any fact, circumstance, dispute, or any other matter, that they will not take or fail to take any action which would delay a payment to the Authority or impair the Authority's ability to receive payments due hereunder.

Each District acknowledges that the Authority may issue revenue bonds and the Authority may obtain financial commitments and security for its bonds from third parties, all of whom shall be relying on performance of the payment obligations of the Districts hereunder.

The purpose of this Section is to ensure that the Authority receives all payments due under this Agreement in a timely manner so that the Authority may pay its bonds, notes or other financial obligations. Notwithstanding that the bondholders are not in any manner third-party beneficiaries of this Agreement, and do not have any rights in or rights to directly enforce or consent to amendments of this Agreement, each District agrees that during the pendency of any litigation which may arise hereunder, all payments required hereunder shall be made by such District for the purpose of enabling the Authority to make payments on its bonds or other financial obligations issued pursuant to Section 5.07 hereof. If a District believes it has valid defenses, setoffs, counterclaims, or other claims, it shall nevertheless make all payments to the Authority as described in this Agreement under protest, stating the reasons therefor, and seek to recover such payments by separate actions at law or in equity for damages or specific performance.

ARTICLE VI

ASSETS OF THE AUTHORITY

Section 6.01. Asset Inventory Schedule. The Authority shall maintain an asset inventory list for any and all real or personal property acquired by the Authority by lease, purchase, donation or governmental conveyance and either held by it or transferred to others. This list shall designate how the asset was acquired, the date of acquisition, and the date of any sale or other disposition of any asset transferred by the Authority, together with the amount of consideration received or paid by the Authority.

Section 6.02. Insurance. The Authority shall maintain the following insurance coverages:

(a) General liability coverage protecting the Authority and its officers, directors, and employees against loss, liability, or expense whatsoever from personal injury, death, property damage, or otherwise, arising from or in any way connected with management, administration, or operations in amounts not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.

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

ARTICLE VII

TERMINATION

Section 7.01. Termination by Notice. This Agreement will terminate, subject to the Districts' compliance with the provisions of their respective service plans, after notice has been provided to each Party, and provision has been made for the discharge of any debt issued by, or any financial obligation of the Authority, by a vote of the Board in accordance with Section 3.06.

Section 7.02. Wind-Up and Liquidation. In the event of termination of this Agreement, the Board, or a person or persons appointed by the Board, shall wind-up and liquidate the assets of the Authority. Upon dissolution of the Authority all of its property will be transferred to Aurora or other governmental entities approved by it.

ARTICLE VIII

DEFAULT

Section 8.01. Events of Default. The occurrence of any one or more of the following events, and/or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement:

(a) The failure of any Party to make any payment when the same shall become due and payable as provided in this Agreement and cure such failure within 10 business days of receipt of notice from one of the other Parties or the Authority of such failure; or

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

Section 8.02. Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the Parties and the Authority shall have the following rights and remedies:

(a) The non-defaulting Parties or the Authority may request a court of competent jurisdiction to issue a writ of mandamus or order any similar or equivalent relief, to compel the board of directors of the defaulting Party to perform its duties under this Agreement, and/or to issue temporary and/or permanent restraining orders, or orders of specific performance, to compel the defaulting Party to perform in accordance with this Agreement.

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

(c) The non-defaulting Parties shall have the right to budget, advance and expend funds as necessary to enforce the terms of this Agreement.

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

Section 8.03. General.

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

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

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.01. Notices. Any notice required hereunder shall be given in writing, delivered personally, or sent by registered mail, postage prepaid, and addressed to the Parties at the addresses set forth below or at such other address as either Party may hereafter or from time to time designate by written notice to the other Party given in accordance herewith. Notice shall be considered given when personally delivered or mailed, and shall be considered received in the earlier of the day on which such notice is actually received by the Party to whom it is addressed, or the third day after such notice is mailed.

to City of Aurora: City of Aurora
Suite 5300
15151 East Alameda Parkway
Aurora, CO 80012
Attention: City Attorney
Telephone: (303) 739-7030
E-mail: _____
Facsimile: _____

to the Districts: At the addresses specified in Exhibit A

to the Authority:

Attention:

Telephone:

E-mail: _

Facsimile:

Section 9.02. Consent. Whenever any provision of this Agreement requires consent or approval of the Parties hereto, the same shall not be unreasonably withheld.

Section 9.03. Amendments. No alterations, amendments or modifications hereof shall be valid unless approved by the Board and executed by an instrument with the same formality as this Agreement. Neither this Agreement, nor any term hereof, can be changed, modified, or abandoned, in whole or in part, except by the instrument in writing, and no prior, contemporary, or subsequent oral agreement shall have any validity whatsoever.

Section 9.04. Severability. If any clause or provision in this Agreement contained shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Agreement as a whole and all other clauses or provisions shall be given full force and effect.

Section 9.05. Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and to their respective successors and permitted assigns.

Section 9.06. Assignment and Delegation. No Party shall assign any of the rights granted or delegate any of the duties imposed by this Agreement without a majority vote of the whole membership of the Board at a meeting at which a Quorum is present. Any attempted assignment or delegation not in conformity with this provision shall be void.

Section 9.07. Applicable Laws. This Agreement shall be governed by and construed in accordance with the Constitution and laws of the State of Colorado. The Parties agree not to institute any legal action or proceeding against the Authority or any of its directors, officers, employees, agents or property concerning any matter arising out of or related to this Agreement in any court other than the Arapahoe County District Court.

Section 9.08. Paragraph Headings. The paragraph headings are inserted in this Agreement only as a matter of convenience and reference and in no way are intended to be a part of this Agreement or to define, limit or describe the scope or intent of this Agreement or the particular paragraphs hereof to which they refer.

Section 9.09. Singular and Plural. Whenever the context shall so require, the singular shall include the plural and the plural shall include the singular.

Section 9.10. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been

prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

Section 9.11. No Third Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

Section 9.12. Counterparts. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

CITY OF AURORA, COLORADO


Stephen D. Hogan, Mayor

ATTEST:


Linda S. Blackston, City Clerk

APPROVED AS TO FORM:


Jack Bajorek, Senior Assistant City Attorney

[District Signatures appear in Exhibit A]

EXHIBIT A

DISTRICT SIGNATURES AND NOTICE ADDRESSES

District

Notice Address

High Plains Metropolitan
District

Date: 7/10/17

By: [Signature]
Title: Director

Attention: _____
Telephone: _____
E-Mail: _____
Facsimile: _____

Attest: Cesauria Dancy
Title: _____

Beacon Point Metro District

District
Date: 7/10/17

By: [Signature]
Title: DIRECTOR

Attention: _____
Telephone: _____
E-Mail: _____
Facsimile: _____

Attest: Cesauria Dancy
Title: _____

Forest Trace Metro District

District
Date: 7/10/17

By: [Signature]
Title: Director

Attention: _____
Telephone: _____
E-Mail: _____
Facsimile: _____

Attest: Cesauia Dancy
Title: _____

Sorrell Ranch Metro District

District
Date: 7/10/17

[Signature]
B By: Patricia Allen
Title: Director

Attention: _____
Telephone: _____
E-Mail: _____
Facsimile: _____

Attest: Cesauia Dancy
Title: _____

Southlands Metro District

District

Date: July 10, 2017

By: 
Title: Director

Attention: _____

Telephone: _____

E-Mail: _____

Facsimile: _____

Attest: 
Title: _____

Wheatlands Metro District

District

Date: 7/10/17

B By: 
Title: Director

Attention: _____

Telephone: _____

E-Mail: _____

Facsimile: _____

Attest: 
Title: _____

Kings Point South Metro
District District

Date: 7/10/17

By: [Signature]
Title: DIRECTOR

Attention: _____
Telephone: _____
E-Mail: _____
Facsimile: _____

Attest: Cesaine Dany
Title: _____

City of Aurora
District _____

Date: 7/10/17

B By: [Signature]
Title: _____

Attention: _____
Telephone: _____
E-Mail: _____
Facsimile: _____

Attest: Cesaine Dany
Title: _____

Kings Point Metro District

District

Date: _____

Attention: _____

Telephone: _____

E-Mail: _____

Facsimile: _____

By: _____

Title: _____

Director

Attest: _____

Title: _____

WASPING PINES METROPOLITAN

District No. 1

Date: _____

1-24-18

Attention: _____

Telephone: _____

E-Mail: _____

Facsimile: _____

B By: _____

Title: _____

Sam Nickles
Pres

Attest: _____

Title: _____

Kent Pedra
District Member

Inspiration Metropolitan District

White Bear Ankele Tanaka & Waldron
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Kristin Tompkins, Esq.
Telephone: 303-858-1800
E-Mail: ktompkins@wbapc.com
Facsimile: 303-858-1801

Date: 2-7-18

By: AC Thomas
Title: President

Attest: Aaron Carls
Title: Vice President

**SUPPLEMENT TO EXHIBIT A
SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY ESTABLISHMENT
AGREEMENT**

ADDITIONAL DISTRICT SIGNATURES AND NOTICE INFORMATION

IN WITNESS WHEREOF, the undersigned hereby executes and agrees to the South Aurora Regional Improvement Authority Establishment Agreement as the date set forth below.

**DISTRICT:
INSPIRATION METROPOLITAN DISTRICT**

By: AC Thomas
Title: President

Attest: Aaron Carls
Title: Vice President

NOTICE ADDRESS:

White Bear Ankele Tanaka & Waldron
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attn: Kristin Tompkins, Esq.
Phone: 303-858-1800
Email: ktompkins@wbapc.com
Fax: 303-858-1801

EXHIBIT B**REGIONAL IMPROVEMENTS**

Project	Estimated Cost (2017)
Harvest Road Improvements —Alexander to Orchard	\$ 5,700,000
Smoky Hill and Powhatan Road Infrastructure Improvements	900,000
Quincy Avenue Improvements —Gun Club to Harvest	14,600,000
Gartrell Road Improvements —Dry Creek to Aurora (with Bridge and Ramps)	6,000,000
Aurora Parkway Extension —Half Section Bridge	3,400,000
Arapahoe Road Lane Additions —Grandview to Liverpool	1,700,000
Gun Club Road Improvements —Quincy to Aurora Parkway	12,500,000
Aurora Parkway Lane Additions	600,000
Quincy Avenue Lane Additions —Plains to E-470	4,100,000
Quincy & E-470 Ramp Reconfiguration	<u>9,600,000</u>
Total	<u>\$89,300,000</u>

EXHIBIT C

BOUNDARY MAP

EXHIBIT D
INITIAL AUTHORITY BUDGET