

**BEACON POINT METROPOLITAN DISTRICT**  
**NOTICE OF SPECIAL MEETING AND AGENDA**  
26011 East Orchard Drive, Aurora, CO 80016  
Thursday, August 30, 2018 - 11:00 A.M.

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O. Karl Kasch, President	Term Expires May 2022
Jennifer Cooper, Vice President	Term Expires May 2022
Todd A. Travis, Treasurer	Term Expires May 2020
Matthew Huber, Secretary	Term Expires May 2022
Thomas R. Hernacki, Assistant Secretary	Term Expires May 2020

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**AGENDA**

- 1. ADMINITRATIVE MATTERS**
  - a. Call to Order
  - b. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures
  - c. Approval of Agenda
  
- 2. SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY 2018 BOND ISSUANCE**
  - a. Consider Adoption of Resolution No. 2018-08-01: Authorizing the Execution of a First Amendment to South Regional Improvement Authority Establishment Agreement and Actions Relating to the Issuance of ARI Master Plan Number Two Revenue Bonds by Authority and Confirming the District Representative to the Authority Board (**enclosures**)
  
- 3. LUNCH AND LEARN PRESENTATION ON SPECIAL DISTRICTS**
  
- 4. COMMUNICATIONS COMMITTEE**
  - a. Update on Social Media and Public Communications Plan
  
- 5. OTHER BUSINESS**
  - a. Next Meeting – September 27, 2018 at 6:00 P.M. (Regular Business Meeting)
  
- 6. ADJOURN**

TO: Member Districts of South Aurora Regional Improvement Authority

FROM: Kim Casey Reed, Ballard Spahr LLP

DATE: August 15, 2018

RE: Summary of First Amendment to Establishment Agreement

Pursuant to the request of general counsel to South Aurora Regional Improvement Authority (the “**Authority**”), this memorandum is provided to you for the purpose of summarizing the provisions of a proposed First Amendment to South Aurora Regional Improvement Authority Establishment Agreement (the “**First Amendment**”), which would amend certain provisions of the South Aurora Regional Improvement Authority Establishment Agreement originally dated July 10, 2017 (the “**Original Agreement**”).

As you know, ARI Mill Levy Revenues payable by the Districts under the Original Agreement are anticipated to be the primary repayment source for Special Revenue Bonds, Series 2018 (the “**Bonds**”) to be issued by the Authority to fund the costs of identified Regional Improvements. Upon review of the Original Agreement, bond counsel to the Authority and counsel to the underwriter for the Bonds have suggested certain modifications to the Original Agreement that do not alter the fundamental obligations of the Districts thereunder (i.e., to impose the requisite ARI Mill Levy Revenue and make the resulting revenues available for payment of revenues bonds issued by the Authority), but will enable the Authority to issue the Bonds in a manner consistent with industry standards, and minimize the need to disclose provisions that vary from what may be perceived as “typical.” Based on discussions with the underwriter (D.A. Davidson & Co.) and its counsel, this is expected to increase the marketability of the Bonds, and ultimately maximize the proceeds available for Regional Improvement projects.

The modifications to the Original Agreement, set forth in the First Amendment, provide for the following:

1) *Present ARI Mill Levy Levels Locked In.* The Original Agreement requires the imposition of the “ARI Mill Levy,” which is defined by reference to the applicable Service Plan. However, the Service Plans for the Districts could be amended in the future (without the consent of the Authority or the purchasers of the Bonds). In order to provide comfort to the purchasers of the Bonds that the ARI Mill Levy will continue to be imposed at not less than the levels provided in the existing Service Plans, paragraph (7) of the First Amendment adds a sentence to Section 5.08 of the Original Agreement to require imposition of the ARI Mill Levy at the levels required in the present Service Plans (notwithstanding any subsequent amendment).

2) *Terms Relating to Indenture and Bond Trustee.* It is standard industry practice for obligations in the nature of the Bonds to be issued using an Indenture of Trust with a trustee (charged with holding and administering moneys in accordance with the terms of the Indenture of Trust, on behalf of the Bondholders), and for any agreement securing payment of such obligations to be assigned to the Bond trustee, to enable the Bond trustee to enforce its provisions on behalf of the Bondholders. In addition, these agreements often cause payments to be made directly to the Bond trustee (rather than first to the issuer). The following provisions of the First Amendment are aimed at enabling the Authority to issue the Bonds in this manner:

- a) Because Section 5.07 of the Original Agreement states that Authority bonds are to be issued pursuant to a resolution, we wanted to clarify that use of an Indenture of Trust with a trustee is permitted (which is provided for in paragraph (6) of the First Amendment).
- b) Paragraph (5) of the First Amendment amends Section 5.06 of the Original Agreement to require that, upon issuance of the Bonds, ARI Mill Levy revenues are to be paid directly to the Bond trustee, rather than to the Authority, if so directed by the Authority.
- c) Paragraph (8) of the First Amendment amends Section 5.10 of the Original Agreement to delete a statement that Bondholders are not third party beneficiaries of the Agreement, paragraph (11) amends Section 9.06 of the Original Agreement to allow for assignment to the Bond trustee, and paragraph (12) amends Section 9.11 of the Original Agreement to acknowledge that the Bond trustee will be a third party beneficiary (all because the Agreement is expected to be assigned to the Bond trustee for the benefit of Bondholders).
- d) Paragraph (9) of the First Amendment amends Section 8.02 of the Original Agreement (pertaining to events of default) to recognize that the Bond trustee will have enforcement rights thereunder.
- e) Paragraph (10) of the First Amendment amends Section 9.03 of the Original Agreement (pertaining to amendments) to recognize that any amendments will be subject to the terms of the Indenture of Trust, and any other documents pursuant to which Authority bonds are issued.

3) *Clean Up/Conforming Information Given Passage of Time.* The remaining operative provisions of the First Amendment address Sections of the Original Agreement that require updating to reflect factual information or to correct inconsistencies or ambiguities regarding the Districts' execution of the Original Agreement, as follows:

- a) Paragraph (2) of the First Amendment acknowledges the date of execution by the applicable validly designated representative of each Member of the Authority.

- b) Paragraph (4) of the First Amendment reflects that all present Members of the Authority have satisfied their obligations with respect to their initial contribution to the Authority.
- c) Paragraph (13) provides that each Party will provide an up to date notice address along with its signature on the signature pages of the First Amendment.
- d) Paragraph (14) and Exhibits B and C update information concerning the Regional Improvements' estimated costs and the Boundary Map, respectively.