

BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Regular Board Meeting

Tuesday, July 8, 2025, at 9:00 AM

119 N. Wahsatch Ave.

Colorado Springs, Colorado 80903

and

Via tele/videoconference

<https://video.cloudoffice.avaya.com/join/109995525>

United States: [+1 \(213\) 463-4500](tel:+12134634500)

Access Code: 109-995-525



Board of Director	Title	Term
Randle W Case II	President	May 2027
Bryan T Long	Vice-President	May 2027
Jim Byers	Treasurer	May 2027
Ray O'Sullivan	Secretary	May 2029
Robert Case	Assistant Secretary	May 2029

AGENDA

1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of June 18, 2025, Meeting Minutes (enclosed)
5. Financial Matters
 - a. Approve Unaudited Financial Reports through June 30, 2025 (enclosed)
 - b. Ratify and Approve Payables through July 8, 2025 (enclosed)
 - c. Public Hearing on 2024 Budget Amendment for Bradley Heights Metropolitan District No. 2 and No. 3
 - i. Review and consider adoption of Resolution to Amend the 2024 Budget of Bradley Heights Metropolitan District No. 2
 - ii. Review and consider adoption of Resolution to Amend the 2024 Budget of Bradley Heights Metropolitan District No. 3
 - d. Review and consider acceptance of the 2024 Audit Presentation and Management Representation Letter (under separate cover)
6. District Manager Report
7. President of the Board Report
8. Detailed Discussion of Development Status Review
 - a. Discuss Drainage Channel Design and Financing
 - b. Engineering Update
 - i. Schedule
 - c. Plan Updates
 - i. Roadway/ Utility/ Storm Water
 - ii. 24" and 16" water line update
 - iii. Sanitary Sewer outfall update

- d. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval
- e. Update on Construction Budget and Cash flow
- f. Update on Reimbursement costs

9. Development Updates

- a. Review and consider acceptance for Bradley Ridge West and East Drainage Easement's (under separate cover)
- b. Redemption Hill Church
- c. Challenger Homes
- d. Bradley Ridge

10. Legal Matters

- a. Consider Adoption of 2025 Amended and Restated Annual Administrative Resolution (enclosure)
- b. Consider Adoption of Amended and Restated Public Records Request Policy (enclosure)
- c. Review and consider adoption of Resolution Imposing Fees for Trash Service (enclosure)
- d. Review and consider adoption of Resolution for Collection of Fees (enclosure)

11. General/ Administrative Matters

- a. Review and consider acceptance of Amendment to Colorado Springs Utilities Water Recovery Agreement (enclosure)
- b. Discuss the status of the Service Plan Amendment For Provision of Alleyway O/M Services; Challenger Agreement to Pay Amendment and Reserve Study Costs/Retainer Deposit

12. Other Business

- a. Next Regular Meeting scheduled: August 12, 2025, at 9:00 a.m.

13. Adjourn

NOTICE OF SPECIAL MEETINGS

NOTICE IS HEREBY GIVEN That the Board of Directors of **BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3**, County of El Paso, State of Colorado, will hold a regular meeting at 9:00 AM on Tuesday, the 8th day of July, 2025, at 119 North Wahsatch Ave., Colorado Springs, CO 80903, and via tele/videoconferencing at the following: <https://video.cloudoffice.avaya.com/join/109995525> United States: +1 (213) 463-4500 Access Code: 109-995-525 for the purpose of conducting such business as may come before the Board including the business on the attached agenda. The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS:
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3



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**MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2, AND 3
HELD APRIL 8, 2025
AT 9:00 AM**

Pursuant to posted notice, the regular meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Wednesday, April 8th, 2025, at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and via tele/videoconference:
<https://video.cloudoffice.avaya.com/join/451389423>.

Attendance:

In attendance were Directors:

Randle W Case II	President
Bryan T Long	Vice President
Ray O'Sullivan	Treasurer/ Secretary

Directors Attending Virtually:

Robert Case	Assistant Secretary
Jim Byers	Assistant Secretary

Also in attendance were:

Rebecca Harris	WSDM Managers
Sean Allen	WBA Local Government Law
Jeff Odor	Galloway
Chris Grundy	Grundy Construction Management and Consulting
David Neville	
Mike DeGrant	DeGrant Development Strategies, LLC
John Radcliff	Galloway
Jason H.	Member of the Public

Combined Meeting: The Board of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

1. Call to Order:

The meeting was called to order at 9:02 am by President Case II.

2. Declaration of Quorum/Director Qualifications/ Disclosure Matters:

President Case II indicated that a quorum of the Boards was present. He stated that each Director has been qualified as an eligible elector of the districts pursuant to Colorado law. The

Directors confirmed their qualifications. Ms. Harris informed the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting.

Ms. Harris reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. President Case II inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest regarding any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of Agenda:
Director Long moved to approve the Agenda as amended moving items 9 and 10 up; seconded by Director Rob Case. The motion passed unanimously.
4. Approval of April 8, 2025 and May 21, 2025 Board Meeting Minutes:
After review, Director Rob Case moved to approve the Board Meeting Minutes as presented, seconded by Director Long. The motion passed unanimously.
5. Financial Matters:
 - a. Approve Unaudited Financial Reports through May 31, 2025: Ms. Harris presented the unaudited financials. After discussion, Director Rob Case moved to approve the Unaudited Financial Reports through May 31, 2025, as presented; seconded by Director Byers. Motion passed unanimously.
 - b. Ratify and Approve Payables through : Ms. Harris presented the Payables for the period. After discussion, Director O'Sullivan motioned to approve the payables as amended to include payment for Drexel Barrel invoices not to exceed \$10,000; seconded by Director Rob Case. Motion passed unanimously.
 - c. Discuss payable process: Ms. Harris discussed the change in the payables process now that Director Byers is Treasurer.
6. District Manager's Report: No update.
7. President of the Board Report: No Update.
8. Detailed Discussion of Development Status Review:
 - a. Discuss Drainage Channel Design and Financing: Mr. Odor provided a detailed review of the current cash flow projections providing analysis on estimated revenue funds.
 - b. Engineering Update
 - i. Schedule: Mr. Grundy provided an update on Naranjo;s estimated schedule to start the channel improvements.
 - c. Plan Updates
 - i. Roadway/Utility/Storm Water: No update provided.
 - ii. Sanitary Sewer outfall update: No update provided.
 - d. Construction Schedule/Construction Contracts Approval/Ratify/Pre-Approval: Mr. Odor provided an update.
 - e. Update on Construction Budget and Cash Flow: Mr. Odor provided an update regarding incoming drainage fees funding future construction costs of the project phases.

- f. Update on Reimbursement costs: Mr. Odor provided an update regarding coordination with Mr. Allen of WBA to get written deeds for land swaps finalized.

9. Development Updates

- a. Review and consider acceptance for Bradley Ridge West an East Drainage Easement's: After discussion the Board agreed to table this discussion until further review can be done regarding installation costs.
- b. Redemption Hill Church: Mr. Odor provided a brief update on coordinate with the Church on the land swaps and drainage fees.
- c. Challenger Homes: No update provided.
- d. Bradley Ridge: Director O'Sullivan provided the update regarding Filing 6 in final stages for approval with the City.

10. General/Administrative Matters

- a. Discuss the status of the Service Plan Amendment for Provision of Alleyway O/M Services; Challenger Agreement to Pay Amendment and Reserve Study Costs/Retainer Deposit: Discussion was tabled.
- b. Consider adoption of 2025 Amended and Restated Annual Administrative Resolution: Discussion was tabled.
- c. Consider adoption of Amended and Restated Public Records Request Policy: Discussion was tabled.

11. Other Business:

12. Adjourn: President Case II adjourned the meeting at 10:00am.

- a. Next Regular Meeting scheduled: July 8th, 2025 at 9am.

Submitted by: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 8, 2025, SPECIAL JOINT MEETING MINUTES OF THE BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS 1 -3.

Approved by: Secretary of the Board



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Balance Sheet

As of June 30, 2025

	Jun 30, 25
ASSETS	
Current Assets	
Checking/Savings	
ECB - Checking	
Restricted Cash For Legal Bills	60,671.56
ECB - Checking - Other	66,156.23
Total ECB - Checking	126,827.79
Total Checking/Savings	126,827.79
Accounts Receivable	
Accounts Receivable	61,144.99
Total Accounts Receivable	61,144.99
Other Current Assets	
Due From District 3	785.19
Total Other Current Assets	785.19
Total Current Assets	188,757.97
TOTAL ASSETS	188,757.97
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	43,724.32
Total Accounts Payable	43,724.32
Total Current Liabilities	43,724.32
Long Term Liabilities	
Developer Advance - Randle Case	41,000.00
Marksheffel-Woodmen Investments	75,850.00
Total Long Term Liabilities	116,850.00
Total Liabilities	160,574.32
Equity	
Retained Earnings	-102,529.20
Net Income	130,712.85
Total Equity	28,183.65
TOTAL LIABILITIES & EQUITY	188,757.97

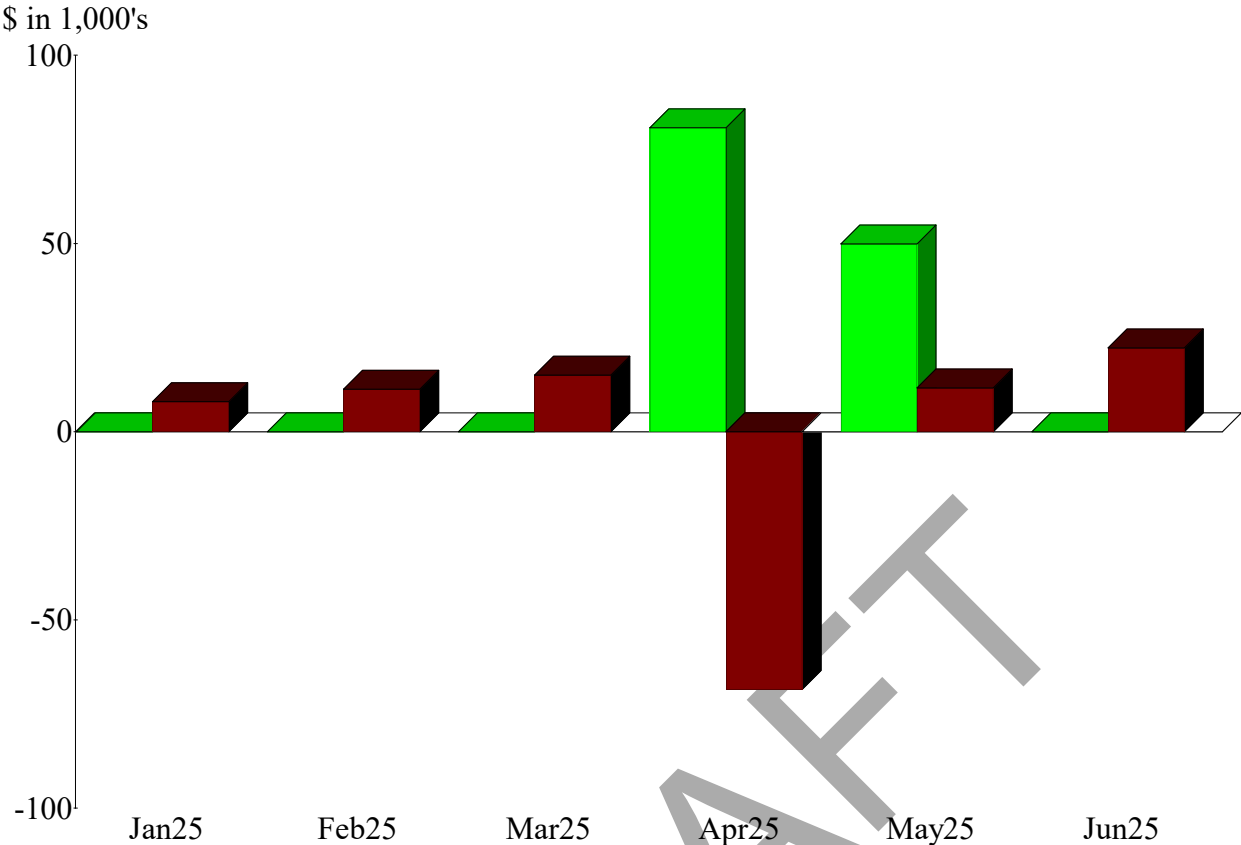
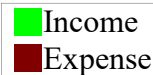
Bradley Heights Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January through June 2025

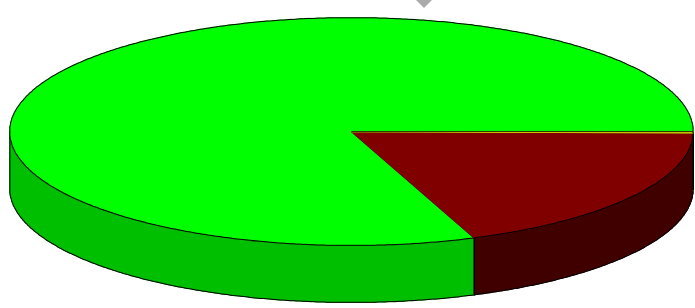
	TOTAL				
	Jun 25	Jan - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Developer Advance	0.00	105,821.32	85,000.00	20,821.32	124.5%
Transfer From District 2-O&M	0.00	24,816.51	51,293.00	-26,476.49	48.38%
Transfer From District 2-Debt	0.00	0.00	0.00	0.00	0.0%
Transfer From District 3-O&M	0.00	150.57	779.00	-628.43	19.33%
Total Income	0.00	130,788.40	137,072.00	-6,283.60	95.42%
Expense					
Audit	16,775.00	16,775.00	16,144.00	631.00	103.91%
Bank Service Charge	0.00	0.00	100.00	-100.00	0.0%
Copies & Postage	63.02	128.23	1,000.00	-871.77	12.82%
District Management	5,500.00	27,989.54	66,000.00	-38,010.46	42.41%
Dues & Subscriptions (SDA) - D1	0.00	390.23	500.00	-109.77	78.05%
Dues & Subscriptions (SDA) - D2	0.00	1,237.50	1,500.00	-262.50	82.5%
Dues & Subscriptions (SDA) - D3	0.00	225.02	500.00	-274.98	45.0%
Elections	0.00	3,395.84	10,000.00	-6,604.16	33.96%
Insurance - D1	0.00	0.00	2,500.00	-2,500.00	0.0%
Insurance - D2	0.00	2,176.00	5,000.00	-2,824.00	43.52%
Insurance - D3	0.00	2,176.00	3,000.00	-824.00	72.53%
Legal	0.00	-54,417.81	30,000.00	-84,417.81	-181.39%
Miscellaneous	0.00	0.00	10,000.00	-10,000.00	0.0%
Total Expense	22,338.02	75.55	146,244.00	-146,168.45	0.05%
Net Ordinary Income	-22,338.02	130,712.85	-9,172.00	139,884.85	-1,425.13%
Net Income	-22,338.02	130,712.85	-9,172.00	139,884.85	-1,425.13%

Income and Expense by Month
January through June 2025



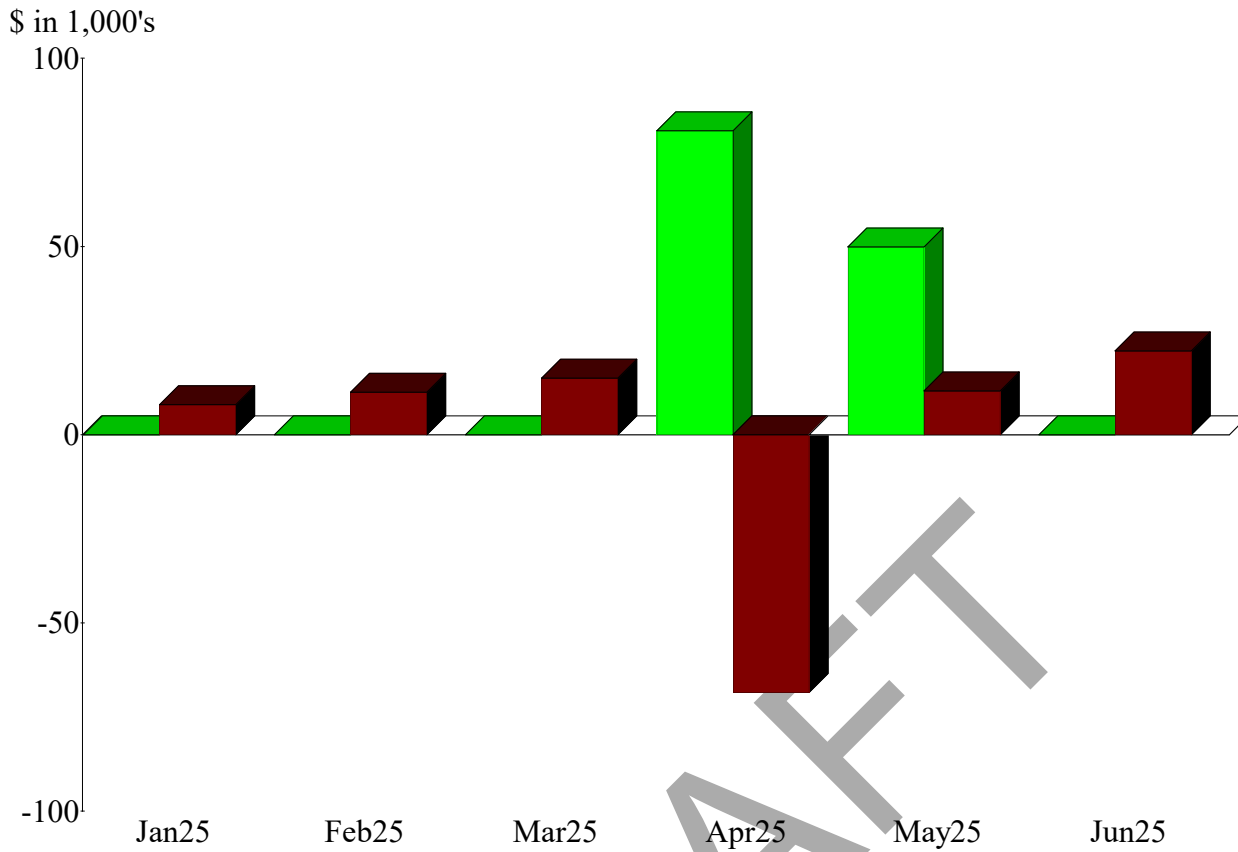
Income Summary
January through June 2025

Developer Advance	80.91%
Transfer From District 2-O&M	18.97
Transfer From District 3-O&M	0.12
Total	\$130,788.40



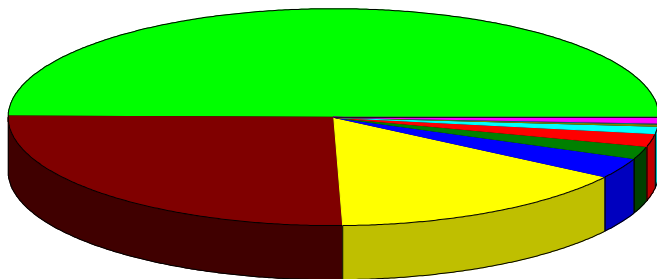
Income and Expense by Month January through June 2025

Income
Expense



Expense Summary January through June 2025

Legal	\$-54,417.81
District Management	51.36%
Audit	30.78
Elections	6.23
Insurance - D3	3.99
Insurance - D2	3.99
Dues & Subscriptions (SDA) - D2	2.27
Dues & Subscriptions (SDA) - D1	0.72
Dues & Subscriptions (SDA) - D3	0.41
Copies & Postage	0.24
Sub-Total	\$75.55



By Account

Bradley Heights Metropolitan District No. 2

Balance Sheet

As of June 30, 2025

	Jun 30, 25
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	18,584.10
UMB Bond Account 156470.1	327,879.70
UMB - Project Fund 156470.2	3,551,175.59
Total Checking/Savings	3,897,639.39
Accounts Receivable	
Accounts Receivable	1,275,406.29
Total Accounts Receivable	1,275,406.29
Other Current Assets	
Due from District No 3	9.00
Accounts Receivable Other	39.00
Property Tax Receivable	38,232.60
Total Other Current Assets	38,280.60
Total Current Assets	5,211,326.28
Fixed Assets	
Construction in Progress	33,970,464.58
Total Fixed Assets	33,970,464.58
TOTAL ASSETS	39,181,790.86
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	10,047.85
Total Accounts Payable	10,047.85
Other Current Liabilities	
Retainage Payable	1,351,005.00
Accrued Interest	4,000,957.00
Deferred Property Tax Revenue	38,232.60
Total Other Current Liabilities	5,390,194.60
Total Current Liabilities	5,400,242.45
Long Term Liabilities	
Series 2021A Bonds	35,000,000.00
Total Long Term Liabilities	35,000,000.00
Total Liabilities	40,400,242.45
Equity	
Retained Earnings	-2,859,592.52
Net Income	1,641,140.93
Total Equity	-1,218,451.59
TOTAL LIABILITIES & EQUITY	39,181,790.86

Bradley Heights Metropolitan District No. 2

Profit & Loss Budget vs. Actual

January through June 2025

General Fund

TOTAL

	<u>Jun 25</u>	<u>Jan - Jun 25</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense					
Income					
Trash Service	680.00	11,220.82	11,728.00	-507.18	95.68%
CY Property Taxes	2,124.66	26,166.11	51,293.00	-25,126.89	51.01%
Specifice Ownership Tax	281.02	1,416.73	769.00	647.73	184.23%
Delinquent Interest	22.50	22.50			
Total Income	3,108.18	38,826.16	63,790.00	-24,963.84	60.87%
Expense					
Copies / Postage	0.00	160.72			
Bank Fees	5.05	9.80			
Trash Expense	1,403.83	6,754.98	11,728.00	-4,973.02	57.6%
Treasurers Collection Fee	32.11	392.75	769.00	-376.25	51.07%
Utilities	128.49	219.79			
Total Expense	1,569.48	7,538.04	12,497.00	-4,958.96	60.32%
Net Ordinary Income	1,538.70	31,288.12	51,293.00	-20,004.88	61.0%
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	24,816.51	51,293.00	-26,476.49	48.38%
Total Other Expense	0.00	24,816.51	51,293.00	-26,476.49	48.38%
Total Other Expense	0.00	24,816.51	51,293.00	-26,476.49	48.38%
Net Other Income	0.00	-24,816.51	-51,293.00	26,476.49	48.38%
Net Income	<u>1,538.70</u>	<u>6,471.61</u>	<u>0.00</u>	<u>6,471.61</u>	<u>100.0%</u>

Bradley Heights Metropolitan District No. 2

Profit & Loss Budget vs. Actual

January through June 2025

Debt Service Fund

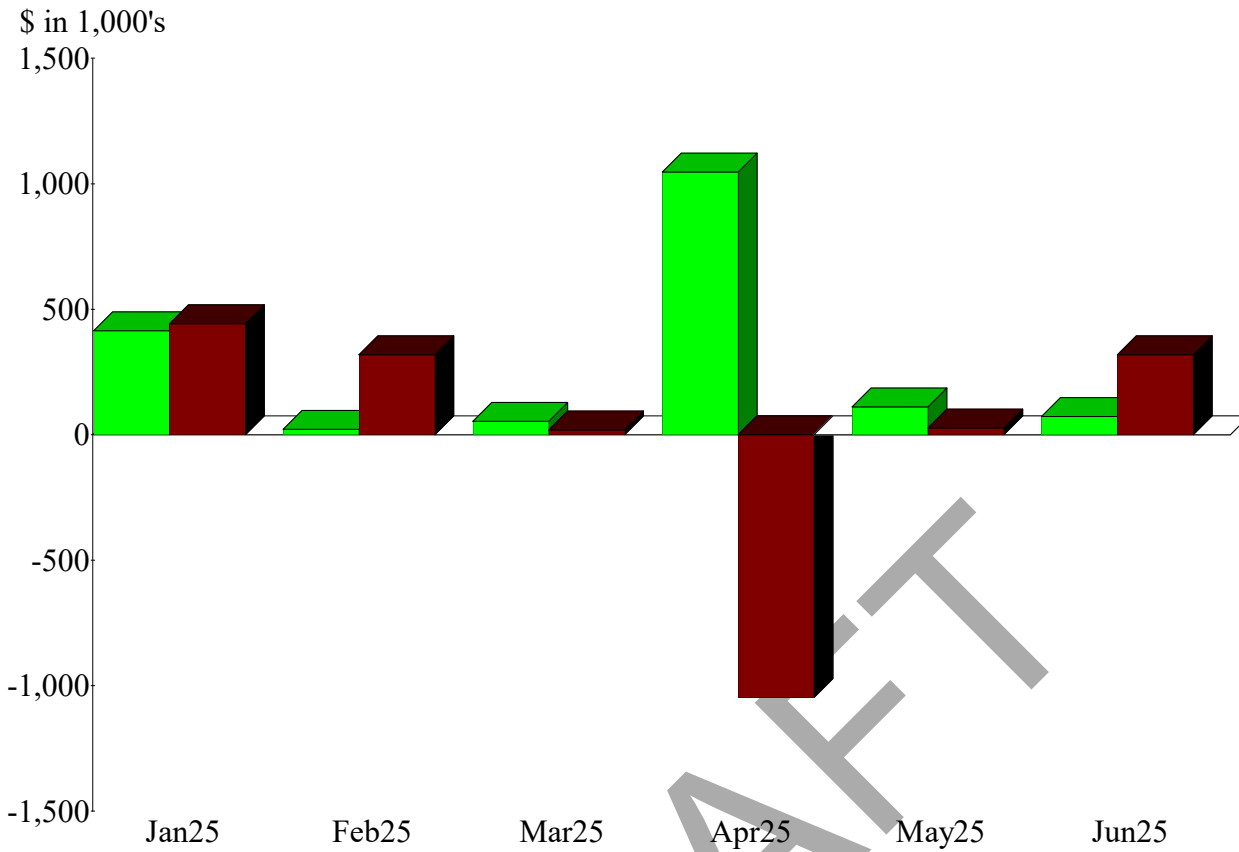
	TOTAL				
	Jun 25	Jan - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Transfer From D3 DS Taxes	0.00	451.71	958.00	-506.29	47.15%
CY Property Taxes	6,373.99	78,498.31	91,604.00	-13,105.69	85.69%
Specifice Ownership Tax	843.05	4,250.14	6,412.00	-2,161.86	66.28%
Delinquent Interest	40.17	40.17			
Facility Fees	0.00	0.00	535,752.00	-535,752.00	0.0%
Impact Fees					
Drainage Fee-Platting	0.00	366,674.04			
Capital Facility Fees-Platting	14,995.00	125,958.00			
Impact Fees - Other	0.00	0.00	106,943.00	-106,943.00	0.0%
Total Impact Fees	14,995.00	492,632.04	106,943.00	385,689.04	460.65%
Total Income	22,252.21	575,872.37	741,669.00	-165,796.63	77.65%
Expense					
Bank Fees	0.00	714.63			
Bond Expense					
Bank Fees	45.95	83.42			
Debt Service Interest	0.00	0.00	535,752.00	-535,752.00	0.0%
Paying Agent Fee	0.00	0.00	4,000.00	-4,000.00	0.0%
Total Bond Expense	45.95	83.42	539,752.00	-539,668.58	0.02%
Treasurers Collection Fee	96.32	1,178.23	1,374.00	-195.77	85.75%
Total Expense	142.27	1,976.28	541,126.00	-539,149.72	0.37%
Net Ordinary Income	22,109.94	573,896.09	200,543.00	373,353.09	286.17%
Other Income/Expense					
Other Income					
Other Income					
Interest Income	1,057.11	2,422.04			
Total Other Income	1,057.11	2,422.04			
Total Other Income	1,057.11	2,422.04			
Other Expense					
Other Expense					
Transfer to Cap Projects Fund	0.00	0.00	106,943.00	-106,943.00	0.0%
Total Other Expense	0.00	0.00	106,943.00	-106,943.00	0.0%
Total Other Expense	0.00	0.00	106,943.00	-106,943.00	0.0%
Net Other Income	1,057.11	2,422.04	-106,943.00	109,365.04	-2.27%
Net Income	23,167.05	576,318.13	93,600.00	482,718.13	615.72%

Bradley Heights Metropolitan District No. 2
Profit & Loss Budget vs. Actual
January through June 2025
Capital Project Fund

	TOTAL				
	Jun 25	Jan - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Redemption Hill Church Reimb					
Development	0.00	1,001,783.09	420,000.00	581,783.09	238.52%
Drainage Fee	0.00	0.00	90,289.00	-90,289.00	0.0%
Total Redemption Hill Church Reimb	0.00	1,001,783.09	510,289.00	491,494.09	196.32%
Waterline Refund					
CSU	32,630.17	32,630.17	1,250,000.00	-1,217,369.83	2.61%
Total Waterline Refund	32,630.17	32,630.17	1,250,000.00	-1,217,369.83	2.61%
Total Income	32,630.17	1,034,413.26	1,760,289.00	-725,875.74	58.76%
Expense					
Bank Fees	795.00	2,870.48	3,000.00	-129.52	95.68%
Capital Outlay					
Legal Expense	0.00	78,106.00			
Capital Construction	209,759.62	-202,687.23	7,000,000.00	-7,202,687.23	-2.9%
Engineering/Planning	77,541.16	110,138.20			
Project Management	8,881.80	38,898.20			
Total Capital Outlay	296,182.58	24,455.17	7,000,000.00	-6,975,544.83	0.35%
Insurance	20,999.00	20,999.00			
Total Expense	317,976.58	48,324.65	7,003,000.00	-6,954,675.35	0.69%
Net Ordinary Income	-285,346.41	986,088.61	-5,242,711.00	6,228,799.61	-18.81%
Other Income/Expense					
Other Income					
Other Income					
Interest Income	13,660.91	72,262.58			
Transfer from Debt Service Fund	0.00	0.00	106,943.00	-106,943.00	0.0%
Total Other Income	13,660.91	72,262.58	106,943.00	-34,680.42	67.57%
Total Other Income	13,660.91	72,262.58	106,943.00	-34,680.42	67.57%
Net Other Income	13,660.91	72,262.58	106,943.00	-34,680.42	67.57%
Net Income	-271,685.50	1,058,351.19	-5,135,768.00	6,194,119.19	-20.61%

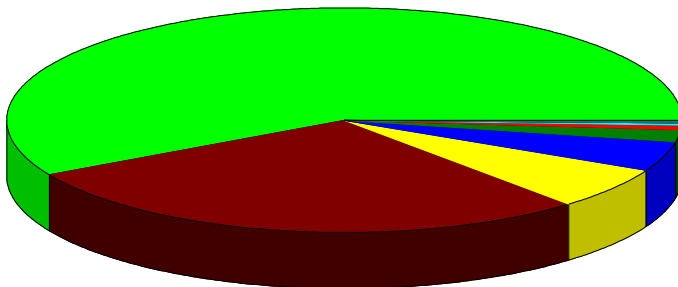
Income and Expense by Month January through June 2025

Income
Expense



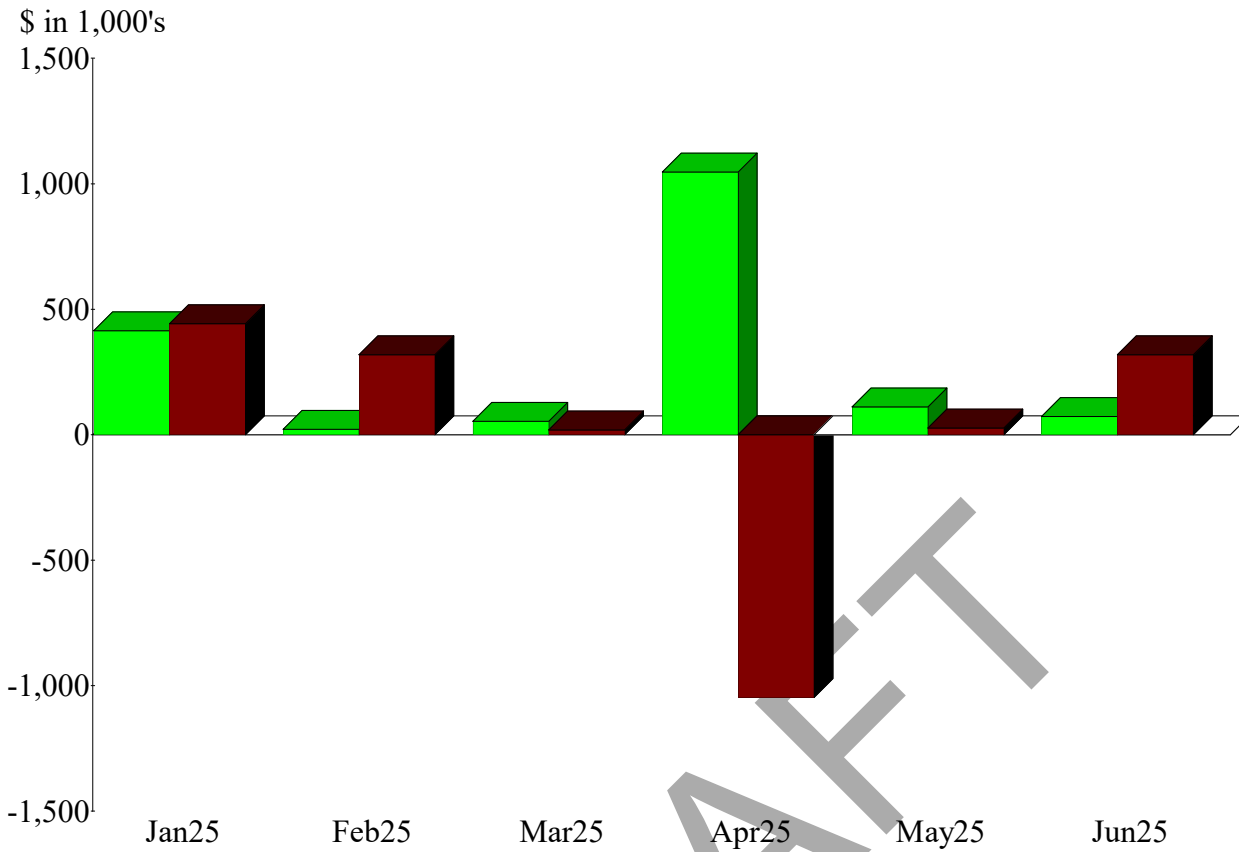
Income Summary January through June 2025

Redemption Hill Church Reimb	58.11%
Impact Fees	28.58
CY Property Taxes	6.07
Other Income	4.33
Waterline Refund	1.89
Trash Service	0.65
Specifice Ownership Tax	0.33
Transfer From D3 DS Taxes	0.03
Delinquent Interest	0.01
Total	\$1,723,796.41



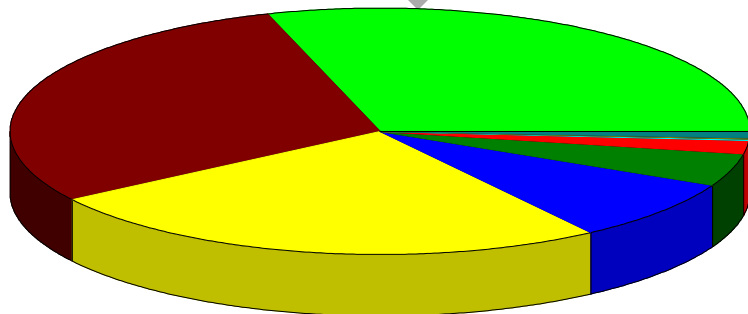
Income and Expense by Month January through June 2025

Income
Expense



Expense Summary January through June 2025

Other Expense	30.02%
Capital Outlay	29.59
Insurance	25.41
Trash Expense	8.17
Bank Fees	4.35
Treasurers Collection Fee	1.90
Utilities	0.27
Copies / Postage	0.19
Bond Expense	0.10
Total	\$82,655.48



Balance Sheet

As of June 30, 2025

	Jun 30, 25
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	407.99
Total Checking/Savings	407.99
Other Current Assets	
Property Tax Receivable	235.00
Total Other Current Assets	235.00
Total Current Assets	642.99
TOTAL ASSETS	642.99
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due To District 1	794.19
Deferred Property Tax Revenue	235.00
Total Other Current Liabilities	1,029.19
Total Current Liabilities	1,029.19
Total Liabilities	1,029.19
Equity	
Retained Earnings	-423.56
Net Income	37.36
Total Equity	-386.20
TOTAL LIABILITIES & EQUITY	642.99

Bradley Heights Metropolitan District No. 3
Profit & Loss Budget vs. Actual
January through June 2025

General Fund

	TOTAL				
	Jun 25	Jan - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Poprerty Taxes	7.00	150.10	303.00	-152.90	49.54%
Specific Ownership Tax	2.38	12.01	21.00	-8.99	57.19%
Delinquent Interest	0.08	0.08			
Total Income	9.46	162.19	324.00	-161.81	50.06%
Expense					
Treasurers Collection Fee	0.11	2.26	5.00	-2.74	45.2%
Total Expense	0.11	2.26	784.00	-781.74	0.29%
Net Ordinary Income	9.35	159.93	-460.00	619.93	-34.77%
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	150.58			
Total Other Expense	0.00	150.58			
Total Other Expense	0.00	150.58			
Net Other Income	0.00	-150.58	0.00	-150.58	100.0%
Net Income	9.35	9.35	-460.00	469.35	-2.03%

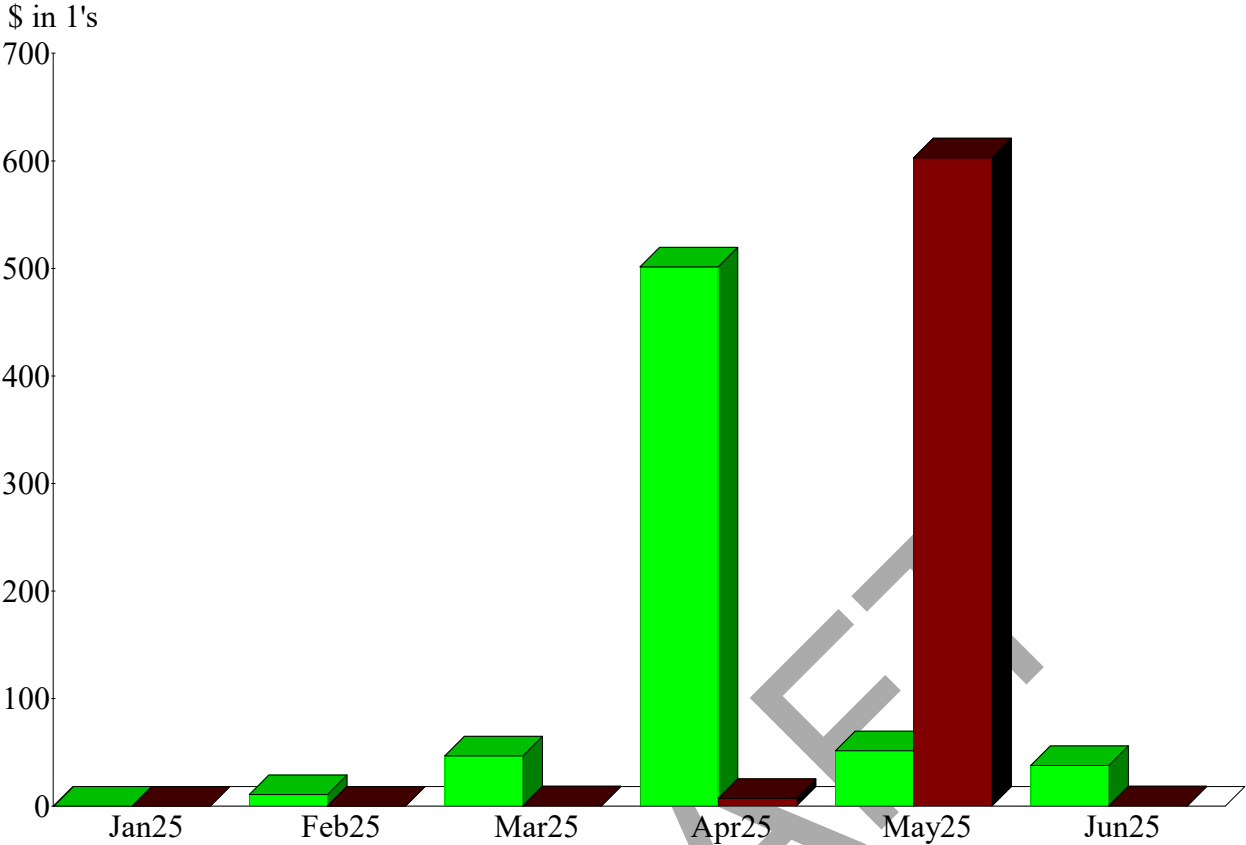
Bradley Heights Metropolitan District No. 3
Profit & Loss Budget vs. Actual
January through June 2025

Debt Service Fund

	TOTAL				
	Jun 25	Jan - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Poprerty Taxes	21.00	450.30	908.00	-457.70	49.59%
Specific Ownership Tax	7.13	35.98	64.00	-28.02	56.22%
Delinquent Interest	0.20	0.20			
Total Income	<u>28.33</u>	<u>486.48</u>	<u>972.00</u>	<u>-485.52</u>	<u>50.05%</u>
Expense					
Transfer to D2 DS Taxes	0.00	0.00	958.00	-958.00	0.0%
Treasurers Collection Fee	0.32	6.77	14.00	-7.23	48.36%
Total Expense	<u>0.32</u>	<u>6.77</u>	<u>972.00</u>	<u>-965.23</u>	<u>0.7%</u>
Net Ordinary Income	<u>28.01</u>	<u>479.71</u>	<u>0.00</u>	<u>479.71</u>	<u>100.0%</u>
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 2 - DS Fund	0.00	451.70			
Total Other Expense	<u>0.00</u>	<u>451.70</u>			
Total Other Expense	<u>0.00</u>	<u>451.70</u>			
Net Other Income	<u>0.00</u>	<u>-451.70</u>	<u>0.00</u>	<u>-451.70</u>	<u>100.0%</u>
Net Income	<u><u>28.01</u></u>	<u><u>28.01</u></u>	<u><u>0.00</u></u>	<u><u>28.01</u></u>	<u><u>100.0%</u></u>

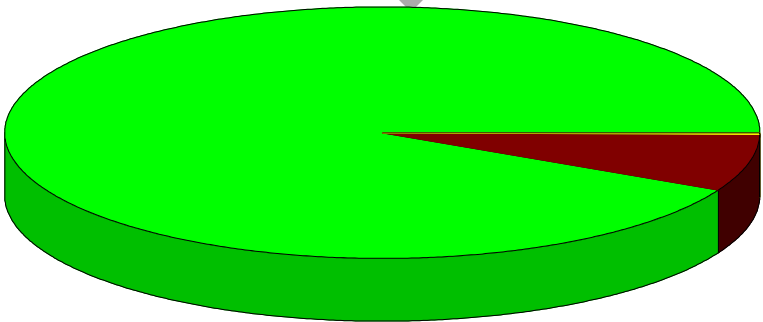
Income and Expense by Month
January through June 2025

Income
Expense

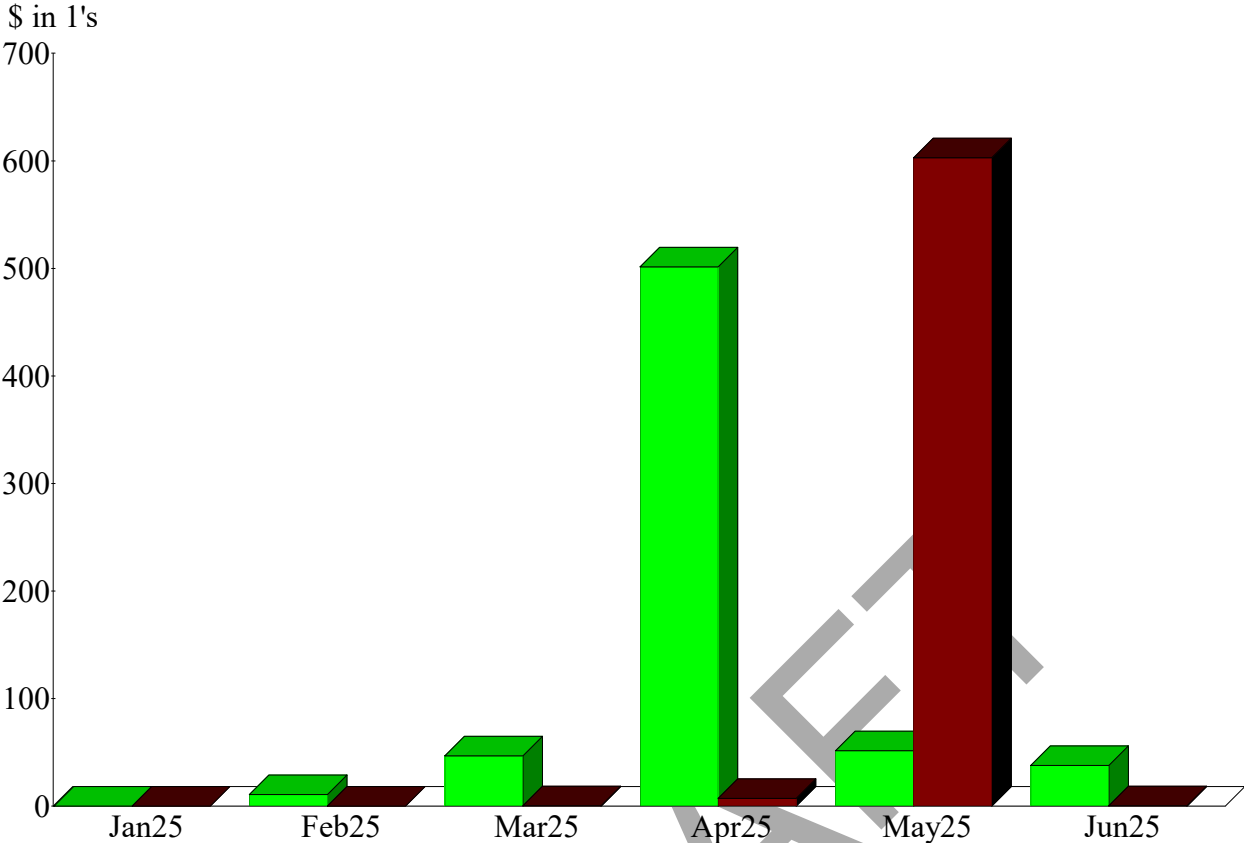
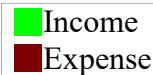


Income Summary
January through June 2025

CY Poprerty Taxes	92.56%
Specific Ownership Tax	7.40
Delinquent Interest	0.04
Total	\$648.67

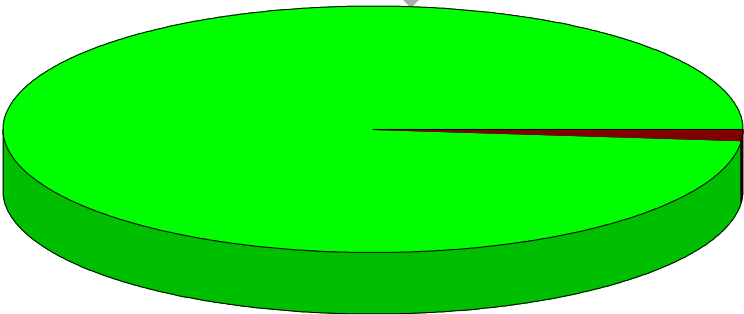


Income and Expense by Month
January through June 2025



Expense Summary
January through June 2025

Other Expense	98.52%
Treasurers Collection Fee	1.48
Total	\$611.31





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Bradley Heights Metropolitan District No. 1

Payment Request

7/8/2025

General Fund Account

Company	Invoice	Date	Amount	Comments
Biggs Kofford	120115	6/10/2025	\$ 10,275.00	
Biggs Kofford	120116	6/10/2025	\$ 6,500.00	
WSDM Managers	849	6/30/2025	\$ 5,563.02	
Total:			\$ 22,338.02	

Bank Balance 07/02/2025	\$ 126,827.79		Total Payables
Current Payables	\$ (22,338.02)	\$	22,338.02
Outstanding Dev Advance	\$ 61,144.99		
Bank Balance after Payables:	\$ 165,634.76		

Bradley Heights Metropolitan District

Bradley Heights Metropolitan District No. 2

Payment Request 7/8/2025

General Fund Account

Company	Invoice	Date	Amount	Comments
HBS Trash	FR5537693	6/30/2025	\$ 1,403.83	
WSDM Managers	865	6/30/2025	\$ 87.16	MVEA Reimbursement
Total:			\$ 1,490.99	

Current Bank Balance: \$ 18,584.10
Payables for This Month: \$ (1,490.99)
Bank Balance after Payables: \$ **17,093.11**

Total Payables
\$ 1,490.99

Bradley Heights Metropolitan District

Bradley Heights Metropolitan District #2

Payment Request
6/18/2025

Bond Fund Account				
Company	Invoice	Date	Amount	Comments
Matrix Design Group	45776	2/3/2025	\$ 3,151.60	Remaining Balance Due
WSDM Managers	850	6/30/2025	\$ 903.75	
Total:			\$ 4,055.35	

Bank Balance before Payables:	\$ -		Total Payables
Payables for This Month:	\$ (4,055.35)	\$	(4,055.35)
Bank Balance after Payables:	\$ -		

Bradley Heights Metropolitan District



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**BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1-3
AMENDED AND RESTATED JOINT ANNUAL ADMINISTRATIVE RESOLUTION
(2025)**

WHEREAS, Bradley Heights Metropolitan District Nos. 1-3 (each a “District”), were organized as special districts pursuant to an Order and Decree of the District Court in and for the County of El Paso, Colorado (the “**County**”); and

WHEREAS, the Board of Directors (the “**Board**”) of each District has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board directs the District’s Manager to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District’s Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number, and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs the District’s Manager to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s Manager to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

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

6. The Board directs the District’s Manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District the District’s audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15 and prepare the final budget and budget message, including any amendments thereto, if necessary. The Board also directs the District's accountant to perform the property tax limit calculation, if required by §§ 29-1-306, *et seq.*, C.R.S., and to inform the Board of the result of such calculation. The Board directs District Manager to schedule a public hearing on the proposed budget or amendments, as applicable, and to post or publish notices thereof. The Board directs District Manager to prepare all budget resolutions. The Board directs District Manager to file the budget, budget resolution, and budget message with the Division on or before January 30, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's Legal Counsel, the District's Manager, and the Board when expenditures are expected to exceed appropriated amounts. The Board directs District Manager to prepare all budget amendment resolutions. The Board directs District Manager to schedule a public hearing on a proposed budget amendment and post or publish notices thereof in accordance with § 29-1-106, C.R.S. The Board directs District Manager to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

9. The Board directs District Manager to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S.

12. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with § 32-1-902(3)(b) and § 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections, or deletions to said conflicts of interest disclosures.

13. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

14. The Board hereby appoints District Manager as the official custodian for the maintenance, care, and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S. The Board hereby directs its District Manager, accountant, manager, and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

15. The Board directs District Manager to post notice of all regular and special meetings in accordance with § 32-1-903(2) and § 24-6-402(2)(c), C.R.S. The Board hereby designates <https://wsdistricts.co/projects/bradley-heights-metropolitan-districts-1-2-3/> as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, any location within the District, as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District Manager to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to § 24-32-116, C.R.S.

16. The Board determines to hold regular meetings on the second Tuesday of each month, at 9:00 a.m. at 119 N. Wahsatch Ave., Colorado Springs, Colorado and/or by telephone, electronic, or other means not requiring physical presence. All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

17. The Board of Bradley Heights Metropolitan District No. 2 ("**District No. 2**") determines to hold an annual meeting, pursuant to § 32-1-903(6), on November 11, 2025, at 9:00 a.m. at 119 N. Wahsatch Ave., Colorado Springs, Colorado, and/or by telephone, electronic, or other means not requiring physical presence, subject to change by action of the Board. Notice of the annual meeting shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable. The Manager of District No. 2 shall be responsible for coordinating the required presentations for the annual meeting.

18. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

19. The Board directs District Manager to maintain the District's website in compliance with state and federal requirements and to make such documents and information required by § 32-1-104.5, C.R.S. available to the public on the District's website.

20. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101,

et seq., C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

21. Pursuant to the authority set forth in § 1-1-111, C.R.S., the Board hereby appoints Ashley B. Frisbie, as the Designated Election Official (the “**DEO**”) of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with § 1-13.5-513, C.R.S.

22. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District and file a copy of such certification with the Division of Securities.

23. The Board directs District Manager to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

24. Pursuant to the authority set forth in § 24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Alecia K. Roberts of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

25. The Board directs District Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with § 32-1-1101.5(1.5), (2), C.R.S.

26. The Board directs District Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder, and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report in accordance with § 32-1-207(3)(c), C.R.S.

27. The Board directs District Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District’s liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs District Manager to review and update the District’s property schedule as needed, and no less than annually. The Board directs the District’s accountant to pay the annual SDA membership dues, agency fees, and insurance premiums, as applicable, in a timely manner. The Board appoints District Manager as its proxy for the SDA Annual meeting for voting and quorum purposes.

28. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs District Manager to obtain workers’ compensation coverage for the District.

29. The Board hereby directs District Manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: <https://wsdistricts.co/projects/bradley-heights-metropolitan-districts-1-2-3/>.

30. The Board hereby directs District Manager to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

31. In accordance with § 38-35-109.5(2), C.R.S., the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within thirty (30) days of any such conveyance.

32. The Board hereby affirms the adoption of the corporate seal in substantially the form appearing on the signature page of this resolution in accordance with § 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction, or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use in accordance with the authority provided by § 24-71.3-118, C.R.S.

33. The Board directs the District's Accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

34. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

ADOPTED JUNE 18, 2025

(SEAL)

DISTRICTS:

**BRADLEY HEIGHTS METROPOLITAN
DISTRICT NOS. 1-3**, quasi-municipal
corporations and political subdivisions of the
State of Colorado

By: _____
Officer of the Districts

Attest:

By: _____



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BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1-3
AMENDED AND RESTATED JOINT PUBLIC RECORDS REQUEST POLICY
Adopted June 18, 2025

I. Purposes of the District’s Public Records Request Policy

This Public Records Request Policy of the Bradley Heights Metropolitan District Nos. 1-3 (each a “**District**” and, collectively, the “**Districts**”) shall be applied and interpreted with the following purposes in mind:

- A. To adopt a Public Records Request Policy pursuant to § 24-72-203(1), C.R.S., and amend and replace previously adopted public records request policies;
- B. To provide access to and the protection and integrity of Public Records in the custody of the District;
- C. To prevent unnecessary interference with the regular discharge of the duties of the District and its manager in compliance with the Colorado Open Records Act, §§ 24-72-200.1 to 24-72-206, C.R.S. (“**CORA**”);
- D. To establish reasonable and standardized fees for producing copies of and information from records maintained by the District as authorized by CORA; and
- E. To set forth a general procedure for providing consistent, prompt and equitable service to those requesting access to Public Records.

II. Public Records Requests

A. Applicability.

This Public Records Request Policy applies to requests submitted to the District for the inspection of Public Records pursuant to CORA, and shall supersede any previously adopted CORA policies of the District.

B. Definitions.

1. “**Custodian**”: Except as otherwise provided in this policy, the term “**Custodian**” shall mean the District Manager, or any successor that has been designated by the Board of Directors of the District to oversee the collection, retention, and retrieval of Public Records of the District.

2. “**Public Records**”: As defined in § 24-72-202(6), C.R.S.

C. Submission of Requests

1. Requests for inspection of Public Records are to be submitted in writing on an official request form to the Custodian, and must be sufficiently specific as to enable the

Custodian to locate the information requested with reasonable effort. The official request form is attached hereto as **Exhibit A** and incorporated herein by this reference, as may be modified from time to time by the District. The District has determined that the use of an official request form is necessary for the efficient handling of Public Records requests.

2. Requests may be submitted by mail, fax, e-mail, or hand-delivery.
3. A request shall be considered made when the request is actually received by the Custodian:
 - a. A letter is received when it is opened in the usual course of business by the recipient or a person authorized to open the recipient's mail;
 - b. A fax is received when it is printed during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day; and
 - c. An e-mail is received when it is received and opened during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day.
4. If a deposit is required, the request is not considered received until the deposit is paid.

D. Inspection.

1. The Custodian or the Custodian's designee shall make the requested Public Records available for inspection during regular business hours, deemed to be from 8:30 a.m. to 4:30 p.m., Monday through Friday, except for times the Custodian's office is closed. During the inspection of Public Records, the Custodian may ask that the requestor follow certain procedures to protect the integrity of the Public Records.
2. If a Public Record is not immediately or readily available for inspection, the Custodian or the Custodian's designee shall make an appointment or other arrangements with the applicant concerning the time at which the requested record will be available. The Public Records shall be made available for inspection within a reasonable time, which is presumed to be three (3) working days or less from the date of receipt of the request. Such three (3) day period may be extended by an additional seven (7) working days if extenuating circumstances, as described in § 24-72-203(3)(b), C.R.S., exist. Responding to applications for inspection of Public Records need not take priority over the previously scheduled work activities of the Custodian or the Custodian's designee.
3. All Public Records to which the request applies shall be preserved from the date of the request until such time as set forth in the District's records maintenance, retention, or deletion policy or practices utilized by the Custodian.
4. No one shall remove a Public Record from the Custodian's offices without the permission of the Custodian. Public Records may be removed from file folders or places of storage for photocopying by the Custodian or the Custodian's designee. The Custodian may allow a person to use his or her own portable electronic equipment to make copies of Public Records.
5. As a general practice, in response to a Public Records request:

a. Public Records will be made available for inspection in the format in which they are stored. If the Custodian is unable to produce the Public Record in its stored format for any reason set forth in § 24-72-203(3.5)(b) C.R.S., an alternate format may be produced or a denial issued under § 24-72-204, C.R.S.

b. The person making the request shall not be allowed to access the Custodian's computer or any other computer for purposes of inspecting any Public Records;

c. Any portion of a Public Record containing non-public information that is not subject to inspection may be redacted by the Custodian prior to making the record available for inspection. The Custodian is not required to redact information from a writing that is not a Public Record in order to make the writing available for inspection. *Denver Publishing Co. v. Bd. Of County Comm'rs of the County of Arapahoe*, 121 P.3d 190 (Colo. 2005); *Colorado Republican Party v. Benefield, et al.*, Court of Appeals No. 07CA1216, Oct. 23, 2008 (Unpublished).

d. The Custodian, in consultation with the District's general counsel, will determine which information is no longer considered "work-in-progress" subject to the deliberative process or work product privilege and therefore eligible for release.

e. Altering an existing Public Record, or excising fields of information that the Custodian is either required or permitted to withhold does not constitute the creation of a new Public Record. Section 24-72-203(3.5)(d), C.R.S.

f. Upon request, the Custodian will produce a public record in a format accessible to individuals with disabilities. Section 24-72-203(3.5)(e), C.R.S.

g. A document will not ordinarily be created in order to respond to a request.

6. Where a request seeks in excess of twenty-five (25) electronically-stored Public Records, the following procedure shall apply in responding to such a request:

a. The Custodian shall solicit the comments of the requestor regarding any search terms to be used to locate and extract such records, and, in doing so, will seek to have the request refined so that it does not result in an inordinate number of irrelevant or duplicative documents, it being understood that the Custodian will make the final determination regarding search terms;

b. The Custodian shall designate an employee or another person with experience in performing electronic searches to locate and extract responsive records;

c. The person who is designated to perform the searches shall consult, as appropriate, with legal counsel to identify privileged records that should not be produced; and

d. Where appropriate, legal counsel shall conduct a final review to identify and withhold privileged records.

7. The Custodian or the Custodian's designee shall deny the inspection of the records if such inspection would be contrary to federal or state law or regulation, or would violate

a court order. In special circumstances, a Custodian shall deny inspection of the Public Records if such inspection would cause substantial injury to the public interest. Such a denial shall be made in writing by the Custodian to the person making the request and shall set forth with specificity the grounds of the denial. It is not necessary to state a ground for denial of access for each document if a specific ground is applicable to a group of documents.

8. If the Public Records requested are not in the custody or control of the Custodian, the Custodian shall notify the requestor of this fact in writing. In such notification, the Custodian shall state in detail to the best of his/her knowledge and belief the reason for the absence of the Public Records, the location of the Public Records, and what person then has custody or control of the Public Records.

9. All Public Records, regardless of storage format, will be administered in accordance with approved retention schedules. The District reserves the right to adopt the records retention policy that has been promulgated by the Custodian.

E. Fees for All Record Requests.

1. Fees for Standard Reproductions. The Custodian or the Custodian's designee shall charge a fee not to exceed twenty-five cents (\$.25) per page for any photocopies or printed copies of electronic records that are required to make a Public Record available. Other reproductions of Public Records shall be provided at a cost not to exceed the actual cost of the reproduction. Such fees shall be paid by the applicant prior to the receipt of copies of any Public Records. Requests expected to exceed a total charge of ten dollars (\$10.00) or more must be accompanied by a deposit equal to the reasonably-estimated reproduction costs. This deposit will be credited toward the total fee, and the total fee shall be paid prior to release of the requested records. In the event the deposit amount exceeds the actual costs, the balance will be refunded.

2. Transmission Fees. No fees related to transmission shall be charged for transmitting public records via electronic mail. Within the period specified in § 24-72-203, C.R.S., the Custodian shall notify the record requester that a copy of the record is available, but will only be sent to the requester once the custodian receives payment for postage if the copy is transmitted by United States mail, or payment for the cost of delivery if the copy is transmitted other than by United States mail, and payment for any other supplies used in the mailing, delivery, or transmission of the record and for all other costs associated with producing the record. Upon receiving such payment, the custodian shall send the record to the requester as soon as practicable but no more than three business days after receipt of such payment.

3. Fees for Search, Retrieval and Legal Review:

a. In the case of any request requiring more than one (1) hour of time for search, retrieval, supervision of inspection, copying, manipulation, redaction or legal counsel review to identify and withhold privileged records, the Custodian or the Custodian's designee may charge an hourly fee amount allowed pursuant to § 24-72-205(6)(a), C.R.S., which can be found at [https://leg.colorado.gov/node/1669596/](https://leg.colorado.gov/node/1669596), as amended from time to time. Prior to performing any services necessary to respond to a request, the Custodian or the Custodian's designee shall require the applicant to pay a deposit equal to the reasonably estimated fees that will be charged by the Custodian for such staff time. Before receiving any records, the applicant shall also pay the amount

by which the cost of any open records services exceeds the deposit. The District shall promptly refund the amount by which the deposit exceeds the cost of any open records services.

b. To the extent possible, the Custodian shall utilize administrative or clerical staff for search and retrieval of Public Records who are ordinarily responsible for such duties to ensure that the fees charged for staff time in connection with the request represent costs incurred in the ordinary course of business and not extraordinary charges, but in any case, such charges shall be consistent with § 24-72-205(6), C.R.S.

[Remainder of Page Intentionally Left Blank. Signature page follows]

ADOPTED THIS 18th DAY OF JUNE, 2025.

DISTRICTS:

**BRADLEY HEIGHTS METROPOLITAN
DISTRICT NOS. 1-3**, quasi-municipal corporations
and political subdivisions of the State of Colorado

By: _____
Officer of the Districts

ATTEST:

By: _____

EXHIBIT A
OFFICIAL REQUEST FORM

BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1-3

Request for Inspection/Copy of Public Records

For Internal Use Only

Date of Request: _____

Time of Request: _____ AM/PM

Applicant Name: _____

Applicant Address: _____

City/State: _____ Zip: _____

Daytime Phone #:() _____ Alt./Cell: () _____

Email: _____

Detailed description of the records requested: (Please use additional sheets if necessary)

Select a preferred format for the materials: Hard Copies _____ Electronic _____ View Hard Copy Only _____

I request the records described and agree to pay all charges incurred in processing this request at or before the time the records are made available. If over \$10, I understand I must provide a deposit to pay for the cost incurred to obtain the records. I understand that the Estimated Charges are estimates only, and that the actual cost may vary. This request will be considered received when this form is complete and received by the Custodian and any required deposit is paid.

Signature: _____ Date: _____

Submit Request Form To:
WSDM Managers
614 N. Tejon St.
Colorado Springs, CO 80903

If the records are available pursuant to §§ 24-72-201, *et seq.*, C.R.S., the records shall be made available for viewing within three (3) working days. The date of receipt is not included in calculating the response date. If extenuating circumstances exist so that the Custodian cannot reasonably gather the records within the three (3)-day period, the Custodian may extend the period by up to seven (7) working days. The requestor shall be notified of the extension within the three (3)-day period. Public records shall be viewed at the District's offices during regular business days at prearranged times.

For Internal Use Only

Estimated Charges

Number of Pages _____ at \$.025/page _____

Postage/Delivery Costs: \$ _____

Research & Retrieval _____ Hours at \$41.37/hr

See § 24-72-205(6), C.R.S. for hourly fee

Research & Retrieval Total: \$ _____

Deposit Required: \$ _____

Total Estimated Costs: \$ _____

Note: Non-standard and special requests will be billed at cost and charged in addition to any other fees.

Administrative Matters

Date Request Completed: _____

Amount Prepaid: \$ _____

Approved: _____ Denied: _____

Balance Due Before Release: \$ _____

Total Amount Paid: \$ _____

If Denied, Provide Reason(s)



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**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 2**

Establishing Guidelines for the Processing and Collection of Delinquent Fees and Covenant Enforcement Charges

WHEREAS, Bradley Heights Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the “**Board**”) is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District (collectively, the “**Fees**”) to properties within and without (each property individually referred to herein as the “**Property**”) the District’s boundaries; and

WHEREAS, pursuant to the terms and conditions of the Covenants and Restrictions of Century at Bradley Heights, recorded in the real property records of the Clerk and Recorder of El Paso County, Colorado at Reception No. 223101445, on December 13, 2023, (the “**Covenants**”), [the District’s Resolution Regarding Policies, Procedures and Penalties for the enforcement of the Governing Documents, adopted July 30, 2024](#), the District’s Resolution Concerning the Imposition of a Trash and Recycle Service Fee, adopted February 13, 2024, the District’s Resolution Concerning the Imposition of a Detention Pond Platting Fee, and the District’s Resolution Concerning the Imposition of Capital Facilities Fee, adopted March 9, 2021, the District is permitted to send demand letters and notices, levy and collect fines and interest, record liens, and negotiate, settle and take any other actions allowed by Colorado law and the District’s governing documents with respect to any violations or alleged violations of the Covenants and/or the District’s rules and regulations (any such fines imposed or other applicable charges or expenses incurred by the District in relation to any covenant or rule enforcement with respect to any owner collectively referred to herein as “**Covenant Charges**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., until paid, the Fees and Covenant Charges shall constitute a perpetual lien on and against the property served; and

WHEREAS, any such lien for Fees and Covenant Charges may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics’ liens; and

WHEREAS, by this Resolution (the “**Resolution**”), the District desires to set forth guidelines for the processing and collection of unpaid and/or delinquent Fees and Covenant Charges imposed by the District, together with any and all Late Fees, Interest, Penalties and Costs of Collections (each defined separately in this Resolution, and collectively, the “**Delinquency Charges**”); and

WHEREAS, notwithstanding anything in this Resolution to the contrary, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and

collection of delinquent Fees, Covenant Charges, and Delinquency Charges and any deviation from the guidelines shall not affect the status of the Lien (as defined below) in any way.

NOW THEREFORE, the Board hereby adopts this Resolution and the following policies and procedures:

1. **Statement of Lien Guidelines:**

a. ***Perpetual Lien.*** Pursuant to § 32-1-1001(1)(j)(I), C.R.S., all delinquent Fees, Covenant Charges, and Delinquency Charges shall constitute a perpetual lien on and against the Property served by the District (the “**Lien**”). All such Liens shall, to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. Liens imposed for delinquent Fees and Delinquency Charges related to such delinquent Fees contemplated herein may be foreclosed as authorized by law at such time as the District, in its sole discretion, may determine.

i. Notwithstanding the foregoing, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of delinquent Fees, Covenant Charges, and Delinquency Charges and to provide additional notice to interested parties, including, but not limited to, title companies and the Property owner. In the event any or all of the guidelines set forth in this Resolution are not followed, such deviation shall not affect the status of the Lien in any way. Further, the Board may waive any guidelines set forth in this Resolution and may amend them from time to time as it deems necessary.

b. ***Manager Procedures.*** The District’s manager, accountant or billing agent (any of which are referred to herein as the “**Manager**”) is responsible for collecting Fees and Covenant Charges imposed by the District against the Property. In the event payment of Fees or Covenant Charges is delinquent, the Manager may perform the procedures listed below. Fees are considered delinquent when they have not been paid by their corresponding due date and Covenant Charges are delinquent when they have not been paid within thirty (30) days of being imposed (the “**Delinquent Account**”):

i. ***Fifteen (15) Calendar Days Past Due:*** A delinquent payment “Reminder Letter” may be sent to the address of the last known owner of the Property according to the Manager’s records, which may (1) request prompt payment; (2) notify the Property owner that a Reminder Letter Fee and a Late Fee in the amounts set forth in this Resolution have been assessed; and (3) reference the url address of the District’s webpage where this Resolution is displayed, if available. In the event the above mailing is returned as undeliverable, the Manager may send a second copy of the Reminder Letter to: (1) the Property; (2) the address of the last known owner of the Property as found in the real property records of the county Assessor’s Office (the “**Assessor**”) for the county in which the District is located (collectively, the “**Property Address**”). The Manager may deviate from the mailing destinations as included in the Property Address if requested by the Property owner in writing.

ii. **Fifteen (15) Calendar Days From the Date of the Reminder Letter:** A “Warning Letter” may be sent to the Property Address: (1) requesting prompt payment; (2) notify the Property owner that a Warning Letter Fee in the amount set forth in this Resolution has been assessed; (3) warning of further legal action should the Property owner fail to pay the total amount due and owing; and (4) referencing the url address of the District’s webpage where this Resolution is displayed, if available. Along with the Warning Letter, a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the Manager may also be sent.

iii. **Ten (10) Calendar Days from the Date of the Warning Letter:** Once the total amount of delinquent Fees, Covenant Charges and Delinquency Charges owing on the Property has exceeded **One Hundred Fifty Dollars (\$150.00)** and or the account is one hundred and five (105) days past due, regardless of whether the Manager has performed the tasks outlined in Section 1(b) of this Resolution, the Manager may refer the Delinquent Account to the District’s legal counsel engaged for collection matters (“**Special Counsel**”). At the time of such referral, the Manager may be requested to provide Special Counsel with copies of all notices and letters sent pursuant to Section 1(b), if any, as well as a copy of the most recent ledger for the Delinquent Account.

c. **Special Counsel Procedures.** Upon referral of a Delinquent Account from the Manager, Special Counsel may perform the following:

i. **Upon Referral of the Delinquent Account From the Manager:** A “Demand Letter” may be sent to the Property Address, notifying the Property owner that the Property has been referred to Special Counsel for further collections enforcement, including the filing of a statement of lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the District according to the records of the Manager may also be sent.

ii. **No Sooner than Thirty (30) Calendar Days from the Date of the Demand Letter:** A Notice of Intent to File a Statement of Lien, along with a copy of the statement of lien to be filed, may be sent to the Property Address of the Delinquent Account notifying the Property owner that a statement of lien will be recorded with the clerk and recorder of the county (the “**Clerk and Recorder**”) within no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien.

iii. **No Sooner than Ten (10) Calendar Days from the Date of the Notice of Intent to File a Statement of Lien:** A Statement of Lien for the total amount due and owing as of the date of the Statement of Lien may be recorded against the Property with the Clerk and Recorder no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien is sent to the Property. Notwithstanding the amount due and owing reflected on the Statement of Lien, all delinquent Fees and related Delinquency Charges will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.

d. **Foreclosure or Bankruptcy.** In circumstances where the Property is being foreclosed upon or where the owner of the Property has declared or is declaring bankruptcy and

notice of such bankruptcy action has been provided to the District, the Manager may be permitted, in his or her discretion, to refer the Delinquent Account directly to Special Counsel in order to avoid unnecessary, costly and time-consuming procedures. Upon referral of the Delinquent Account to Special Counsel, Special Counsel may, in his or her discretion, immediately file a Statement of Lien on the Property. Further, when a Delinquent Account consisting of delinquent Fees and related Delinquency Charges has a balance of one thousand five hundred dollars (\$1,500.00) or greater (for Delinquency Charges other than Covenant Charges), Special Counsel may submit the account to the Board for consideration of a foreclosure action. Special Counsel shall not proceed with a foreclosure action unless such action is authorized by the Board. The District may, at its option, forward a copy of the foreclosure warning letter to any and all deed of trust holders and/or counsel for any and all deed of trust holders of record.

2. Late Fees:

a. Late Fees are assessed on the Property for failure to make timely payments of Fees or Covenant Charges. Late Fees are applied, regardless of whether the Fees are assessed on a one-time, monthly, quarterly, semi-annual, annual, or any other basis.

b. Late Fees are assessed on the Property **Fifteen (15) calendar days from the payment due date**. Pursuant to § 29-1-1102, C.R.S., such Late Fee may be charged by either of the following two methods, whichever is greater:

i. One Late Fee of Fifteen Dollars (\$15.00) may be assessed on the Property per each assessment or installment of Fees or Covenant Charges not fully paid prior to the Fifteenth (15) calendar day following the payment due date; or

ii. In lieu of Section 2(b)(i) above, a Late Fee of Five Percent (5%) per month, commencing on the Fifteenth (15) calendar day following the payment due date, and each month thereafter, may be charged on unpaid Fees or Covenant Charges until the Late Fee equals Twenty Five Percent (25%) of all outstanding Fees or Covenant Charges, as applicable.

c. Partial payment of any outstanding delinquent Fees, Covenant Charges, or Delinquency Charges will not prevent the imposition of Late Fees pursuant to this Section 2.

d. Payments received will be applied to the balance due in the following order of priority: (1) Late Fees; (2) Interest; (3) Costs of Collections; (4) Legal Fees and Costs; (5) the earliest imposed and unpaid Fees or Covenant Charges; (6) any successive unpaid Fees or Covenant Charges in chronological order from the earliest unpaid Fees or Covenant Charges to the most recently imposed Fees or Covenant Charges.

e. No penalty will be assessed on the Property for a credit balance resulting from the prepayment and/or overpayment of Fees. Such credit balances will be carried forward on the account with all subsequent Fees and related Delinquency Charges being deducted until such time as the credit balance is depleted. A Property carrying a credit balance may be assessed Late Fees as provided herein at such time as the credit balance is insufficient to pay the entire amount of Fees due and owing the District.

3. **Interest:** Interest charges accrue on all delinquent Fees and Covenant Charges at the maximum statutory rate of Eighteen Percent (18%) per annum. Interest shall not accrue and be charged on Late Fees, Interest or Costs of Collections. § 29-1-1102, C.R.S.

4. **Penalties:** “**Penalties**” may be charged on Delinquent Accounts at a rate determined by the Board and may include, but are not limited to, pro-rated costs associated with collection efforts on behalf of the District for all Delinquent Accounts combined.

5. **Costs of Collections:** “**Costs of Collection**” include, but are not limited to, attorneys’ fees and all other costs, fees and charges associated with the processing and/or collection of delinquent Fees and Covenant Charges, including fixed and/or hourly rates imposed by the management company for associated work and hourly and fixed fees imposed by Special Counsel. In accordance with § 29-1-1102(8), C.R.S., nothing in this Resolution shall be construed to prohibit the District from recovering all Costs of Collections whether or not outlined above, except the District may not foreclose a lien that consists exclusively of Covenant Charges.

6. **Waiver of Late Fees, Interest and Costs of Collections:**

a. The Manager and Special Counsel each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Late Fees and Interest. Such action is permitted if either the Manager or Special Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of delinquent Fees, Covenant Charges and/or Delinquency Charges. Notwithstanding the foregoing, neither the Manager nor Special Counsel shall have the authority to waive Late Fees and Interest which, in the aggregate, exceed One Thousand Dollars (\$1,000.00). In such case, the person or entity owing in excess of One Thousand Dollars (\$1,000.00) in Late Fees and Interest combined and requesting such a waiver shall first submit a request, in writing, to the Board, and the Board may make the determination in its sole discretion.

b. Neither the Manager nor Special Counsel is authorized to waive any portion of the Fees, Covenant Charges, or Costs of Collections. Should the Property owner desire a waiver of such Fees, Covenant Charges, and/or Costs of Collections, s/he may submit a written request to the Board and the Board may make the determination in its sole discretion.

c. Any waiver or reduction of Late Fees or Interest granted pursuant to Sections 6(a) or (b) hereof shall not be construed as a waiver or reduction of future Late Fees and Interest, or as the promise to waive or reduce future Late Fees or Interest. Nor shall any such waiver or reduction be deemed to bind, limit, or direct the future decision-making power of the Board, Manager, the District’s general legal counsel (“**General Counsel**”) or Special Counsel, whether related to the Property in question or other properties within the District.

7. **Payment Plans:** The Manager and Special Counsel each have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Manager or Special Counsel elect not to enter into a payment plan with the Property owner, the Property owner may submit a written request to the Board and the Board may make the determination in its sole discretion.

8. Certification of Covenant Charges and Related Delinquency Charges to County Treasurer:

a. Pursuant to § 32-1-1004.5(3)(b)(III), C.R.S., the Board may elect to certify any delinquent Covenant Charges and related Delinquency Charges satisfying the criteria established therein to the county Treasurer's Office for collection with the District's ad valorem property taxes. The certification process may be performed by the Manager, Special Counsel or General Counsel in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and the county's policy.

b. Pursuant to § 32-1-1101(1)(e), C.R.S., the Board may elect to certify any delinquent Fees and Delinquency Charges related to water and sanitation fees satisfying the criteria established therein to the County Treasurer for collection with the District's ad valorem property taxes. The certification process may be performed by the Manager, Special Counsel or General Counsel in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and the county's policy.

9. Acceleration and Decelerations of Fees: The District reserves the right to accelerate and call due an entire unpaid annual Fee on any Delinquent Account. Such acceleration shall result in the entire unpaid annual Fee being due to the District immediately. The District also reserves the right to decelerate any accelerated Fee.

10. Ratification of Past Actions: All acts, omissions, waivers and/or payment plans heretofor undertaken by the Manager or Special Counsel that would otherwise have been authorized by or not required by this Resolution are hereby affirmed, ratified and made effective as of the date said acts, omissions, waivers and/or payment plans occurred.

11. Additional Actions: The Board directs its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of this Resolution.

12. Deviations: The District may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

13. Prior Outstanding Fees: Any fees, rates, tolls, penalties or charges due under the Prior Policy, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby

14. Supersedes Prior Resolutions: This Resolution shall supersede and replace in their entirety all prior resolutions addressing the processing and/or collection of delinquent Fees, Covenant Charges, and Delinquency Charges. To the extent that any term or provision in this Resolution conflicts with any term or provision in a previously enacted and valid resolution of the District, the term or provision in this Resolution shall prevail.

15. Severability: If any term, condition or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term,

condition or provision shall not affect any other provision contained in this Resolution, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

16. **Savings Provision:** The failure to comply with the procedures set forth herein shall not affect the status of any delinquent Fees, Covenant Charges, and/or Delinquency Charges as a perpetual Lien subject to foreclosure in accordance with law. Failure by the Manager, General Counsel or Special Counsel or other authorized representative to take any action in accordance with the guidelines provided herein shall not invalidate subsequent efforts to collect the delinquent Fees, Covenant Charges, and/or Delinquency Charges.

[Remainder of page intentionally left blank, signature page follows.]

APPROVED AND ADOPTED this _____, 2025.

Bradley Heights Metropolitan District No. 2,
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____



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**FIRST AMENDMENT TO
WATER RECOVERY AGREEMENT NO. WRA—24-159 (A1)**

Colorado Springs Utilities Project No. 2022-W118

This FIRST AMENDMENT (“AMENDMENT”) is made and entered into as of the 6th day of June, 2025, (“Effective Date”) by and between Colorado Springs Utilities (“UTILITIES”) an enterprise of the City of Colorado Springs, a Colorado home rule city and municipal corporation, with its principal place of business at 121 S. Tejon Street, Colorado Springs, Colorado 80903 and Bradley Heights Metropolitan District #2 (“CUSTOMER”), a quasi-municipal corporation and political subdivision of the State of Colorado, with its principal place of business at 614 N. Tejon St., Colorado Springs, CO 80903.

RECITALS

WHEREAS, UTILITIES and CUSTOMER entered into that WATER RECOVERY AGREEMENT NO. WRA 24-159 executed by UTILITIES on the 18th Day of April, 2025 (“Original Recovery Agreement”); and

WHEREAS, CUSTOMER and UTILITIES agree to modify the Original Recovery Agreement to reflect changes to the Original Recovery Agreement as set forth in this AMENDMENT;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Agreement and herein, the receipt and adequacy of which are hereby acknowledged, UTILITIES and CUSTOMER agree to the following terms and conditions.

AGREEMENT

Definitions. The following capitalized terms shall have the following meanings as used in this Agreement:

“Advanced Participation” shall mean the process whereby UTILITIES collects fees at the time of the execution of a Service Contract in anticipation of funding future water or wastewater facilities.

“Allowable Construction Costs” shall mean those direct costs related to installation of the Extension (as defined below) including engineering, construction, permits, and acquisition of easements or rights-of-way, but not including indirect or unrelated costs such as CUSTOMER’S overhead expenses, cost of financing, and cost of service lines, as set forth in **Exhibit B**.

“Connection” shall mean any residential or commercial service line.

“Distribution Main” shall mean that portion of the water supply system which transmits and distributes water to the City from treatment or storage facilities to users, excluding service lines.

“Cost Contribution” shall mean the cost participation paid to CUSTOMER by UTILITIES for purchase of the cost of capacity associated with the oversizing requirement for the Extension under the UTILITIES’ Large Main Extension Fund.

“Extension” shall mean the water facilities extension and all appurtenances thereof constructed by and paid for by the CUSTOMER which are the subject of this Agreement as described in Paragraph 1.1 and depicted in **Exhibit A**.

“Interest Rate” shall mean the Federal Reserve Bank Prime Rate at the date of contract, expressed as a decimal, as set forth in Exhibit B. The “Interest Factor” shall be $(1+5(b + .03))$ where “b” is the Interest Rate.

“Line Extension and Service Standards” shall mean the latest edition of the Line Extension and Service Standards issued by UTILITIES.

“Maximum Recovery Amount” shall mean the CUSTOMER’S total Allowable Construction Costs, less the CUSTOMER’S Pro Rata Share and any Cost Contribution payments paid to the CUSTOMER, multiplied by the Interest Factor.

“Pro Rata Share” shall have the meaning attributed to it on **Exhibit B**.

“Unit Recovery Agreement Charge” shall mean the total Recovery Agreement Charge payable by an individual or entity under Paragraph 6 below.

“Recovery Agreement Charge(s)” shall mean the amount that a property owner to be served by the Extension shall pay to the CUSTOMER for their pro-rata cost of the Extension.

“Service Line” shall mean the water line extending from the premises up to and including the connection to the distribution main.

1. Water Facilities Extension.

- 1.1. Customer warrants that it has installed the water facilities extension and appurtenances under CSU Project Number 2022-W118, described as Meadoworks Offsite Public Water Main – Ph 2 (“Extension”) and depicted in Exhibit A, in accordance with the UTILITIES’ Line Extension & Service Standards in effect at the commencement of construction.
- 1.2. CUSTOMER warrants that it has paid all costs associated with the installation of said Extension and acknowledges the Cost Contribution from UTILITIES in the amount of \$1,162,847.71.

2. Recovery Calculations.

- 2.1. UTILITIES will collect Recovery Agreement Charges and reimburse CUSTOMER in accordance with the terms and conditions of this Agreement and UTILITIES tariffs, rules and regulations. In no event shall the total amount of Recovery Agreement Charges exceed the Maximum Recovery Amount (as defined below in Paragraph 2.3).
- 2.2. Allowable Construction Costs eligible for recovery under this Agreement are set forth in Exhibit B. All costs incidental to or resulting from the procurement by UTILITIES of any required land easements or rights-of-way, whether obtained by dedication, contract, condemnation or otherwise shall be borne by the CUSTOMER and included in the total Allowable Construction Costs.
- 2.3. The Unit Recovery Agreement Charge (“URC”), CUSTOMER’S Pro Rata Share, CUSTOMER’S Maximum Recovery Amount is set forth in Exhibit B. For reference, these are calculated as follows:

- A. "CUSTOMER'S Pro Rata Share" is calculated taking total Allowable Construction Costs, less any Cost Contribution funds paid to CUSTOMER, divided by the number of equal units in the Recovery Area to get the cost per unit. Then the cost per unit will be multiplied by the number of units credited to the CUSTOMER to get the CUSTOMER'S Pro Rata Share.
- B. The "Maximum Recovery Amount" is calculated by subtracting any Cost Contribution funds paid to the CUSTOMER and the CUSTOMER'S Pro Rata Share from the Total Allowable Construction Costs and multiplying the remaining amount by the Interest Factor.
- C. The URC, if applicable is calculated by dividing the Maximum Recovery Amount by the number of equal units which the Recovery Area is divided.

3. Recovery Area.

- 3.1. The parties hereby agree that the area subject to a URC ("Recovery Area") is described in Exhibit A. The Recovery Area and the per unit cost calculations are based on the information available at the time the request to initiate this Recovery Agreement was made. However, actions initiated by others, at any time, such as site grading, land platting, development, or other activities may impact the eligibility of certain properties for cost recovery in or near the defined Recovery Area. These actions may affect certain properties within the initial Recovery Area so that they will no longer utilize water service from the Extension, or these actions may also affect certain properties near the initial Recovery Area so that they may in the future utilize water service from the Extension.
- 3.2. UTILITIES reserves the right to adjust the established Recovery Area boundary and/or the URC, in its sole and complete discretion, if the above-described circumstances occur. CUSTOMER agrees and acknowledges that it may receive all or only a part of its eligible costs under this Recovery Agreement depending on the factors listed above and development in or near the Recovery Area in general.
- 3.3. However, UTILITIES shall have no duty or obligation to adjust the original Recovery Area and Customer expressly waives and releases UTILITIES from any and all claims, causes of action, or any other remedies CUSTOMER may seek against UTILITIES for UTILITIES' adjustment of the Recovery Area or UTILITIES' failure to adjust the Recovery Area.
- 3.4. UTILITIES may recalculate the URC for properties and/or customers in any amended Recovery Area based on a calculation or method as solely determined by UTILITIES. Generally, UTILITIES will subtract the sum of any Recovery Agreement Charges collected from the eligible amount subject to recovery under this Recovery Agreement (the "Balance"). This Balance will then be used to recalculate a URC based on the properties and/or customers in the amended Recovery Area which have not yet paid a Recovery Agreement Charge pursuant to this Recovery Agreement.
- 3.5. In no event will any person/property/or customer who has paid a Recovery Agreement Charge, or is already connected to UTILITIES' water system as of the date the Recovery Area is amended, be subject to an adjustment of any Recovery Agreement Charge already assessed, or if already connected to the water system, an initial Recovery Agreement Charge under this Recovery Agreement.

4. Costs Eligible for Reimbursement.

- 4.1. Costs eligible for recovery under this Agreement (“Allowable Construction Costs”) shall be limited to those direct costs related to installation of water facilities extension such as engineering, construction, permits, and easement or right-of-way (“ROW”) costs. Allowable Construction Costs shall not include indirect or unrelated costs such as CUSTOMER’S overhead expenses, cost of financing, cost of service lines, etc.
- 4.2. All costs incidental to or resulting from the procurement by UTILITIES of any required land easements or rights-of-way, whether obtained by dedication, contract, condemnation or otherwise shall be borne by the CUSTOMER and included in the total Allowable Construction Costs.

5. Calculation of Maximum Recovery Amount and Unit Recovery Agreement Charge Recovery Agreement Charge.

- 5.1. The URC, CUSTOMER’S Pro Rata Share and the CUSTOMER’S Maximum Recovery Amount will be calculated as shown in **Exhibit B**.
- 5.2. For reference, the CUSTOMER’S Pro Rata Share will be calculated by dividing the total allowable construction costs, less any Cost Contribution funds paid to CUSTOMER, by the number of equal units which the Recovery Area is divided into to get the cost per unit. Then the cost per unit will be multiplied by the number of units credited to the CUSTOMER to get the CUSTOMER’S Pro Rata Share. See **Exhibit B** for calculation.
- 5.3. For reference, the Maximum Recovery Amount will be calculated by subtracting any Cost Contribution funds paid to the CUSTOMER and the CUSTOMER’S Pro Rata Share from the Total Allowable Construction Costs and multiplying the remaining amount by the interest factor. See **Exhibit B** for calculation.
- 5.4. For reference, the URC will be calculated using the following formula.

$$\text{URC} = \frac{a (1 + 5(b + .03))}{c}$$

Where a = Total Allowable Construction Costs less the CUSTOMER’s Pro Rata Share and less any Cost Contribution Payments.

Where b = Federal Reserve Prime interest rate prevailing at the time of agreement.

Where c = The number of equal or nearly equal units within the Recovery Area, less the number of units credited to the CUSTOMER. The units may be calculated, per lot, per acre, or per single family equivalent.

6. Properties Subject to Recovery Agreement Charge Recovery Agreement Charge.

- 6.1. A Recovery Agreement Charge shall only be assessed for those properties in the Recovery Area, which derive service from the Extension as determined by UTILITIES in its complete and sole discretion.

7. Reimbursement.

- 7.1. For a period of twenty (20) years from the date of this Agreement UTILITIES shall:

- A. Calculate as necessary the Recovery Agreement Charges, according to the terms of this Agreement, for each connection to the Extension; and
 - B. Use reasonable efforts to collect such Recovery Agreement Charges; and
 - C. Use reasonable efforts to remit the Recovery Agreement Charges as collected to CUSTOMER until such time as the CUSTOMER is reimbursed the Maximum Recovery Amount, as provided herein.
- 7.2. Except as provided in the City Code, UTILITIES tariffs, rules and regulations as of the Effective Date, CUSTOMER shall have no right to receive Recovery Agreement Charges or any other compensation on account of additional connections to the Extension after the expiration of twenty years (20) from the date of this Recovery Agreement or after Customer has received the Maximum Recovery Amount, whichever is earlier.
- 7.3. Any other amounts received by UTILITIES after the expiration date or after CUSTOMER has been reimbursed the Maximum Recovery Amount shall be retained by UTILITIES and CUSTOMER shall have no interest in monies received, except as provided by the Water Rules and Regulations in effect.
- 8. Connections.**
- 8.1. All connections to the Extension are subject to approval by UTILITIES. All such connections must comply with UTILITIES' specifications and requirements effective at the time such connections are requested.
- 8.2. Connections to the Extension are subject to the availability of water service at the time such connection permits are requested. Nothing herein shall be construed to require UTILITIES to furnish water service in any manner except as UTILITIES determines that such service is available on its system at the time a request is made; nor shall this agreement be construed as a promise, guarantee or representation that UTILITIES will provide water service for such connections in the future. CUSTOMER understands and agrees that this may affect CUSTOMER'S recovery hereunder.
- 9. Liens.** If at any time, any mechanics liens, judgment liens, or other valid and enforceable liens encumber the Extension, land, easements or rights-of-way thereof, and such liens remain unsatisfied for more than sixty (60) days, CUSTOMER agrees that UTILITIES may exercise any combination of the following rights:
- A. Require CUSTOMER forthwith to provide UTILITIES with security for the payment of the liens in full, on terms satisfactory to UTILITIES; and/or
 - B. Refuse additional connections to the Extension until said liens are released or adequate security is provided; and/or
 - C. Apply any Recovery Agreement Charges collected thereafter to the payment of the outstanding liens.
- 10. Set-Off.** This Agreement is subject to rights of setoff; UTILITIES may set off, against any Recovery Agreement Charges owed to Applicant, any amounts that Applicant owes to UTILITIES. In the event UTILITIES exercises its right of setoff, it shall provide an accounting to Applicant to the extent of the amount set off in lieu of the Recovery Agreement Charge payment of such amount.

11. Third Party Beneficiaries. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than UTILITIES and the CUSTOMER.

12. Notice of Changes of Address and Assignments.

12.1. The CUSTOMER is responsible to notify UTILITIES in writing of any assignment of this Recovery Agreement and/or any changes of address within thirty (30) days.

12.2. If the CUSTOMER fails to notify UTILITIES in writing of any change of address or of any assignment of this Agreement, UTILITIES will retain collected Recovery Agreement Charges until such notice is received. CUSTOMER and/or its assignees will not be entitled to interest on the retained funds.

12.3. Any retained funds which are not claimed by the expiration of the Recovery Agreement become the property of UTILITIES and CUSTOMER will have no right or interest in them.

13. Representatives and Notice.

13.1. All notices necessary or required under this Agreement shall be in writing and shall be personally delivered, sent by overnight delivery service, or mailed by certified mail, postage prepaid and return receipt requested, as follows:

If to UTILITIES:

COLORADO SPRINGS UTILITIES
Attn: Utilities Development Services
P.O. Box 1103, Mail Code 1376
Colorado Springs, CO 80947-1376
Phone: (719) 668-8111

If to CUSTOMER:

Bradley Heights Metropolitan District #2
Randle W. Case II, Board President
c/o WSDM Management
614 N. Tejon St., Colorado Springs, CO 80903

13.2. Notice given by personal delivery, overnight delivery, or mail shall be effective upon actual receipt. The parties may change any address to which notice is to be given by giving notice as provided above of such change of address.

14. Force Majeure. Neither party shall be liable for delays in performing its obligations to the extent the delay is caused by an unforeseeable condition beyond its reasonable control without fault or negligence including strikes, riots, wars, floods, fires, explosions, acts of nature, acts of government, or labor disturbances

15. Appropriation of Funds. In accord with the Colorado Springs City Charter, performance of UTILITIES' obligations under this Agreement is expressly subject to appropriation of funds by the City Council. In the event funds are not appropriated in whole or in part sufficient for performance of UTILITIES' obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law, and UTILITIES will thereafter have no liability for compensation or damages in excess of UTILITIES' authorized appropriation for this Agreement or the applicable spending limit, whichever is less.

16. Dispute Resolution.

16.1. If a dispute arises between the parties relating to this Agreement, the following procedure shall be followed:

- A. The parties shall hold a meeting promptly, but in no event later than thirty (30) calendar days from the initial written notice of the dispute, attended by persons with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute; provided, however, that no such meeting shall be deemed to vitiate or reduce the obligations and liabilities of the parties thereunder or be deemed a waiver by a party hereto of any remedies to which such party would otherwise be entitled thereunder unless otherwise agreed to by the parties in writing.
- B. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to non-binding mediation and to bear equally the costs of the mediation.
- C. The parties will jointly appoint a mutually acceptable mediator. If they fail to do so within twenty (20) calendar days from the conclusion of the negotiation period, they shall each select a mediator. The two mediators will then appoint a third mediator who shall, as the sole mediator, conduct mediation for the parties.

16.2. The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of thirty (30) calendar days. The substantive and procedural law of the State of Colorado shall apply to the proceedings. If the parties are not successful in resolving the dispute through mediation, then the parties shall be free to litigate the matter, and agree that in the event of such litigation, the exclusive venue for such litigation shall be the El Paso County District Court, Colorado Springs, Colorado, and if necessary, for exclusive federal questions, the United States District Court for the District of Colorado.

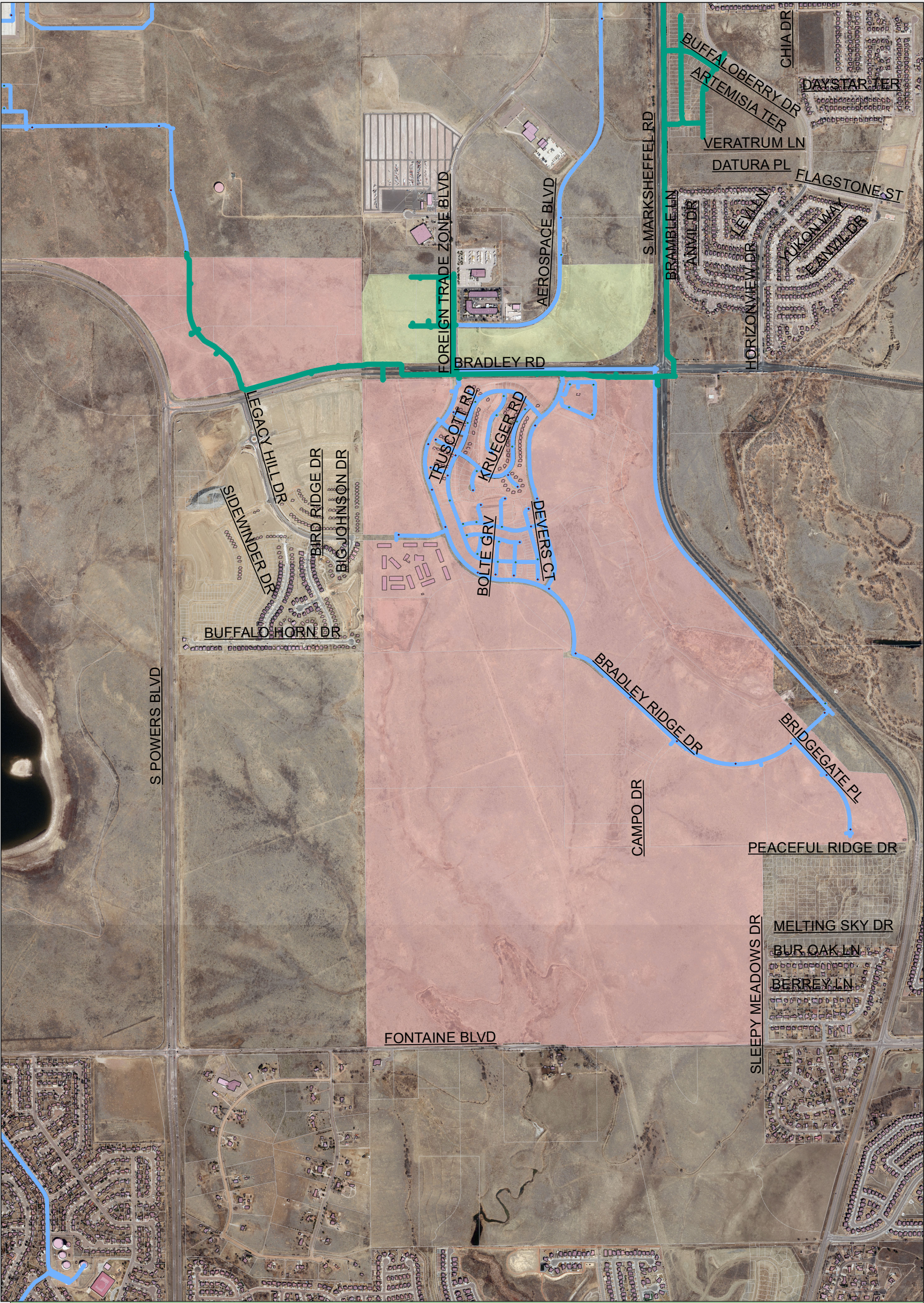
17. Severability. If any provision of this Agreement shall be found to be illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, and such term or provision shall be deemed stricken for as long as it remains illegal or unenforceable.

18. Compliance with Laws and Regulations. This Agreement and the rights and obligations of the parties hereunder shall be subject to all applicable laws, orders, court decisions, directives, rules and regulations of any duly constituted governmental body or official having jurisdiction.

19. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Colorado without reference to conflicts of laws, the Colorado Springs City Charter, City Code, Ordinances, Rules and Regulations. In the event of litigation, this Agreement shall be enforceable by or against the City of Colorado Springs on behalf of UTILITIES as provided in Colorado Springs City Code § 12.1.108. In the event of any dispute over the Agreement's terms and conditions, the exclusive venue and jurisdiction for any litigation arising thereunder shall be in the District Court of El Paso County, Colorado, and, if necessary for exclusive federal questions, the United States District Court for the District of Colorado.

20. Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed original and all of which together shall constitute one and the same instrument. Facsimile copies of signatures shall be permitted for purposes of the binding nature of this Agreement.

21. Entire Agreement. This Agreement with attachments constitutes the entire agreement between the parties and supersedes all previous written or oral communications, understandings, and agreements between the parties unless specifically stated herein. This Agreement may only be amended by a written agreement signed by both parties except as provided in Paragraphs 3.1 and 3.2, where UTILITIES may amend the Recovery Area or Unit Recovery Agreement Charge without the consent of the CUSTOMER. Email and all other electronic (including voice) communications from UTILITIES in connection with this Agreement are for informational purposes only. No such communication is intended by UTILITIES to constitute either an electronic record or an electronic signature, or to constitute any agreement by UTILITIES to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed.



RECOVERY CONTRACT #WRA 25-159 (A1)
Amendment 1, Exhibit "A"
(CSU Project #2022-W118)

1 inch = 15,000 feet
Plot File Created: 5/28/2025 CJQ
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- Legend**
- Preliminary Lines (W)
 - Water Main
 - WRA 25-159(A1)**
 - Credited Area
 - Not Paid - Recovery Area

Recovery \$ Amounts	
S.F. Cost:	\$ 878.48
Acre Cost:	\$3,513.92
Effective Date:	4/18/2025
Expired Date:	4/18/2045

EXHIBIT B WORKSHEET

RECOVERY AGREEMENT No:

WRA 25-159 (A1)

Amendment 1

Project Location/Address: Bradley Road West of Marksheffel Rd
UTILITIES Project Plan Number: CSU Project No. 2022-W118
Date Construction Completed: 3/1/2025
Date Recovery Agreement Requested: 2/28/2025

Total Allowable Construction Costs :

	Company Name	Amount
Direct Construction Costs:	Bradley Heights Metropolitan District	\$4,557,614.54
	Subtotal:	\$4,557,614.54

Receipts Verified By : CJQ

Figures:

Total Allowable Construction Costs:
 ADVANCE PARTICIPATION - LMEF Cost Contribution Funds Paid to CUSTOMER:
 ADVANCE PARTICIPATION - Waterview Development Up Front Contribution:
 ADVANCE PARTICIPATION - Advance Recovery Collections:
 Total Number of acres in the Recovery Area:
 Total Number of acres credited to the CUSTOMER:

\$4,557,614.54
\$1,162,847.71
\$510,000.00
\$77,107.32
1218.49
1138.97

Calculations:

CUSTOMER'S Pro Rata Share:

Construction Costs Per Unit:

(Total Allowable Construction Costs less Advance Participation) ÷ (Total Units in Recovery Area) =

$$\$2,807,659.51 \div 1218.489653 = \$2,304.21$$

CUSTOMER'S Pro Rata Share:

(Construction Costs Per Unit)*(Units Credited to CUSTOMER) =

$$\$2,304.21 \times 1138.970808 = \$2,624,431.17$$

CUSTOMER'S Maximum Recovery Amount:

Maximum Recovery Amount = a (1 + 5(b + .03))

Where a = Total Allowable Construction Costs less Advance Participation less CUSTOMER'S Pro Rata Share:

$$\$4,557,614.54 - \$1,749,955.03 - \$2,624,431.17 = \$183,228.34$$

Where b = Interest Rate: 7.50% (b)

$$\text{Maximum Recovery Amount} = \$183,228.34 (1 + 5 (0.0750 + 0.03)) = \$279,423.23$$

Unit Recovery Charge ("URC"):

$$\text{URC} = \frac{a (1 + 5(b + .03))}{c} = \frac{\text{Maximum Recovery Amount}}{c}$$

Where (c) = Total units in Recovery Area less units credited to CUSTOMER =

$$\text{URC} = \frac{\$279,423.23}{79.51884529} = \$3,513.92 \text{ per Acre}$$

$$\$878.48 \text{ per SFE @ 4 SFE/Acre}$$

Maximum Recovery Amount / Balance of Agreement to be Collected =

$$\$279,423.23$$