



BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Regular Board Meetings

119 N. Wahsatch Ave.

Colorado Springs, Colorado 80903

Tuesday, February 9, 2021 at 9:00 AM

and

Please join our meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/382944325>

You can also dial in using your phone.

United States (Toll Free): 1 877 309 2073

United States: +1 (571) 317-3129

Access Code: 382-944-325

Randle W. Case II, President
Term to May 2023

Robert Case, Assistant Secretary
Term to May 2022

Bryan T. Long, Vice-President
Term to May 2023

Vacant, Assistant Secretary
Term to May 2022

Lindsay J. Case, Treasurer/Secretary
Term to May 2023

AGENDA

1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of the December 8, 2021 meeting minutes
5. District Manager Report
6. President of the Board Report
7. Consultant update: District Manager proposal
8. Development Status Review
 - a. Redemption Hill Church
 - b. Challenger Homes (50 Acre-180 Lot)
 - c. Bradley Ridge (773 Lots)
9. Financial Matters
 - a. Bond issuance – General review - DA Davidson
 - b. Review and approval of bond issue team

- a. Underwriter engagement – DA Davidson
 - b. District Engineer – Matrix Engineering
 - c. Bond Counsel – Sherman & Howard, Tiffany Leichman
 - d. Disclosure Counsel – Sherman & Howard
 - e. Market Study – MetroStudy
 - f. Municipal Advisor
 - c. Preliminary bond process schedule
 - d. Discuss establishment of a Capital Facility Fee for platting and building permits
 - e. Bond Capital Infrastructure Investment Plan – District Construction of Public Improvements vs. Landowner/Builder Construction with Reimbursement
 - f. Review and approve Financial Statements
 - g. Review and approve Current/Interim Payables
 - h. Administrative Matters
11. **Marksheffel Woodmen Investments, LLC – Advances**
- a. 2016 Agreement for Operation/Maintenance Advances
 - b. Discuss Infrastructure Acquisition and Reimbursement Agreement (Capital)/ Cost
12. **Other Business**
- a. Director Vacancy
 - b. Next Regular Meeting Date
13. **Adjourn**

2021 Regular Meetings	Location
<p>The Second Tuesday of March, June, September and December at 9:00 A.M. Please Call 719-447-1777 for meeting information</p>	<p>119 N. Wahsatch Ave. Colorado Springs, Colorado</p>

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity.

The second part of the document provides a detailed breakdown of the accounting cycle. It outlines the ten steps involved in the process, from identifying the accounting entity to preparing financial statements. Each step is explained in detail, with examples provided to illustrate the concepts.

The third part of the document discusses the various types of accounts used in accounting. It categorizes accounts into assets, liabilities, equity, revenue, and expense accounts. It also explains how these accounts are used to record transactions and how they are balanced at the end of each period.

The fourth part of the document discusses the importance of adjusting entries. It explains how these entries are used to ensure that the financial statements accurately reflect the economic reality of the business. Examples are provided to show how adjusting entries are recorded and how they affect the financial statements.

The fifth part of the document discusses the preparation of financial statements. It outlines the steps involved in preparing the balance sheet, income statement, and statement of owner's equity. It also discusses the importance of providing a clear and concise explanation of the financial results.

The sixth part of the document discusses the importance of internal controls. It explains how these controls are used to prevent and detect errors and fraud. Examples are provided to show how internal controls are implemented in a business.

The seventh part of the document discusses the importance of ethics in accounting. It explains how accountants are expected to act in a fair and honest manner and to follow the principles of professional conduct. Examples are provided to show how ethical decisions are made in accounting.

The eighth part of the document discusses the importance of communication in accounting. It explains how accountants must be able to communicate effectively with others in the organization and with external stakeholders. Examples are provided to show how communication is used in accounting.

The ninth part of the document discusses the importance of technology in accounting. It explains how technology is used to automate accounting processes and to improve the accuracy and efficiency of the system. Examples are provided to show how technology is used in accounting.

The tenth part of the document discusses the importance of continuous learning in accounting. It explains how accountants must stay up-to-date on the latest developments in the field and how they can continue to learn and grow throughout their careers. Examples are provided to show how continuous learning is used in accounting.



**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD DECEMBER 8, 2020
AT 10:00 AM**

Pursuant to posted notice, the special meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Tuesday, December 8, 2020 at 10:00 a.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO at the tele/videoconference platform of Zoom Meeting Link: <https://zoom.us/j/98870941251> - Meeting ID: 988 7094 1251

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice President
Lindsay Case, Treasurer/Secretary
Robert Case, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (by phone)
Kevin Walker, WSDM
Ray O'Sullivan
Kyle Thomas, DA Davidson
David Neville

Combined Meeting:

The Boards 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 – Meeting was called to order by President Case at 9:30 a.m.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters - President Case indicated that a quorum of the Boards was present and stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Walker 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. Mr. Allen inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to 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 Resolution Declaring Emergency Procedures and Authorizing Teleconferencing for Regular and Special Meetings – Motion by Director Long, seconded by Director Rob Case to approve the resolution as presented. Motion passed unanimously**
4. **Approval of Agenda - Motion by Director Long, seconded by Director Rob Case to approve the agenda as presented. Motion passed unanimously**
5. **Approval of the December 11, 2019 meeting minutes - Motion by Director Long, seconded by Director Rob Case to approve the minutes as presented. Motion passed unanimously**
6. **2020 Amended and 2021 Budget Discussion and Public Hearing – President Case opened the public hearing for the budgets at 10:12 am; nobody from the public having any comments, President Case declared the Public meeting closed at 10:13 a.m.**
 - a. **2020 Amended Budget Resolutions - The budget was presented for approval noting that the Districts will be issuing bonds in 2021 and appropriating funds for construction. Motion by Director Long, seconded by Director Rob Case to approve the amended budget as presented. Motion passed unanimously**
 - b. **2021 Budget Resolutions - Motion by Director Long, seconded by Director Rob Case to approve the 2021 budget as presented. Motion passed unanimously**
7. **Financial Matters**
 - a. **Discuss bond issuance for 2021- Mr. Thomas presented an outline of the bond issuance for 2021 that will be unrated and based on general land uses of 1500 single family units, 200 multifamily units and 130,000 sf of commercial space. Director Lindsay Case described that the funds would be used first to pay for the spine road to connect the north and south development phases. Mr. O’Sullivan discussed his development in the south area.**
 - b. **Discuss establishment of a Capital Facility Fee for platting and building permits – Preliminary proposals were discussed for the single and multi-family fees at \$3771 and \$2375 for multifamily units; Mr. O’Sullivan suggested a structure of \$2999 for single family and \$1999 for multifamily units. Mr. Walker suggested that there could potentially be a middle tier of \$2500 added for in between densities. The amount of platting and building permit fees was tabled until the next meeting.**
 - c. **Review and approve Financial Statements – No action**
 - d. **Review and approve Current/Interim Payables - Motion by Director Long, seconded by Director Rob Case to approve the 2020 payables as presented. Motion passed unanimously**
8. **Administrative Matters**
 - a. **2021 Annual Administrative Resolutions - Motion by Director Long, seconded by Director Rob Case to approve the resolution as presented. Motion passed unanimously**
 - b. **Resolution to allow for Electronic Meeting Posting - Motion by Director Long, seconded by Director Rob Case to approve the resolution as presented. Motion passed unanimously**
 - c. **Resolution to allow Electronic Signatures**
 - d. **Expansion of District Manager Services by Walker Schooler - Motion by Director Lindsay Case, second by Director Long to approve the expanding the role of WSDM, LLC as District Manager as presented. Motion passed unanimously**

9. **Marksheffel Woodmen Investments, LLC – Advances – these matters were tabled until the next meeting.**
 - a. **2016 Agreement for Operation/Maintenance Advances – acknowledged no new agreement**
 - b. **Discuss Infrastructure Acquisition and Reimbursement Agreement (Capital)/ Cost Certification Engineer Engagement/Certified Cost/Application for Reimbursement**
 - c. **District Direct Construction; District Manager-Construction Manager**
10. **Market Status/Development- Further discussion of the priority of the spine road and water system was presented.**
11. **Other Business**
 - a. **Next Regular Meeting Date scheduled for January 12, 2021**
12. **Adjourn**

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary

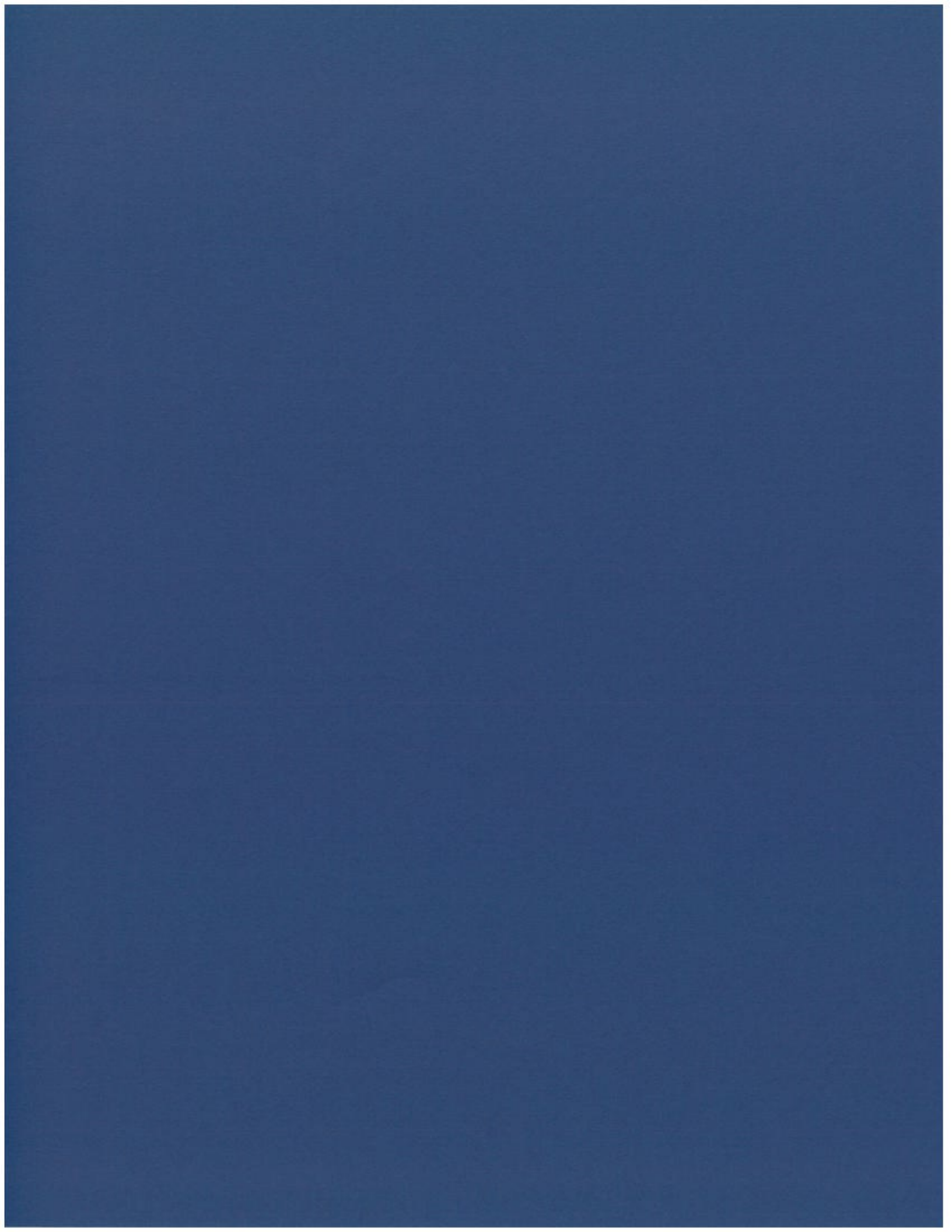
The first part of the document discusses the importance of maintaining accurate records of all transactions. This includes not only sales and purchases but also any other financial activities that may occur during the course of the business. It is essential to ensure that all records are kept in a clear and organized manner, and that they are readily accessible for review and audit.

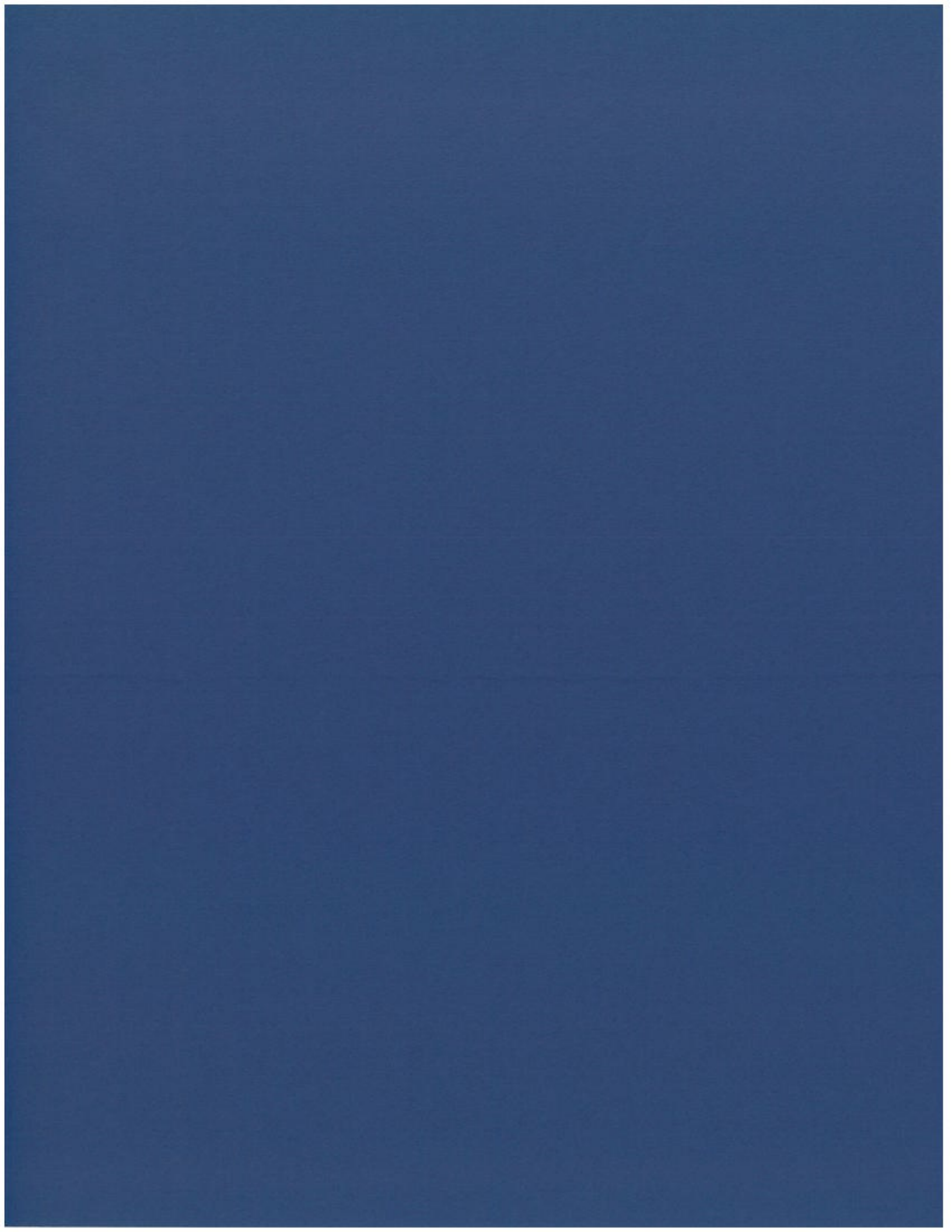
In addition, it is important to regularly reconcile the books to ensure that the records are accurate and up-to-date. This involves comparing the records with bank statements and other external sources to identify any discrepancies and correct them as soon as possible.

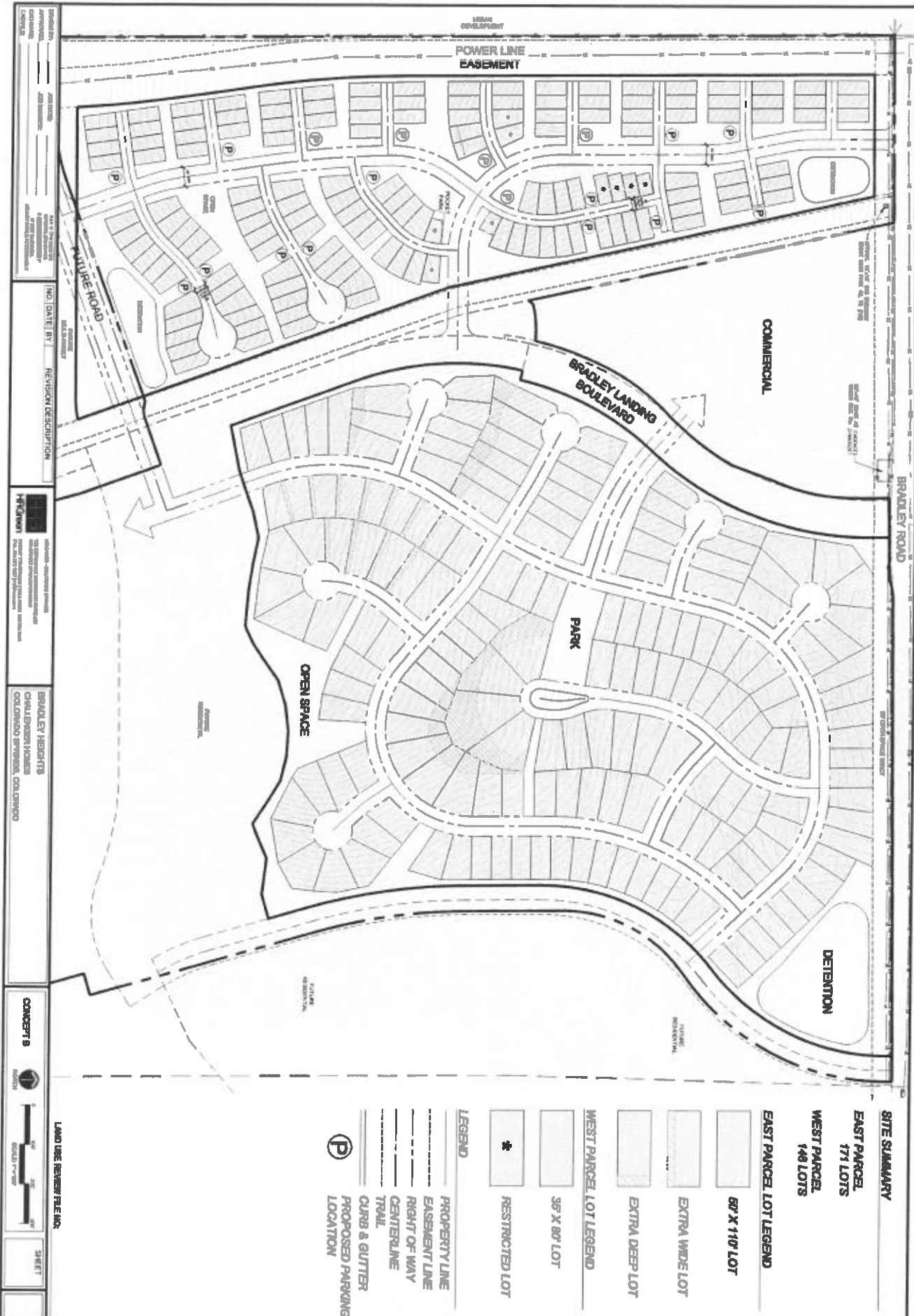
The second part of the document provides a detailed overview of the various accounting methods and techniques that can be used to record and analyze financial data. This includes a discussion of the different types of accounts, such as assets, liabilities, and equity, and how they are used to track the flow of money in and out of the business.

It also covers the various methods of depreciation and amortization, which are used to allocate the cost of long-term assets over their useful lives. This is an important aspect of accounting, as it allows businesses to accurately determine the value of their assets and the impact of their depreciation on their financial statements.

Finally, the document discusses the importance of preparing financial statements, such as the balance sheet, income statement, and cash flow statement. These statements provide a comprehensive overview of the business's financial performance and position, and are essential for making informed decisions about the future of the business.







SITE SUMMARY

EAST PARCEL
171 LOTS

WEST PARCEL
148 LOTS

EAST PARCEL LOT LEGEND

80' X 110' LOT

EXTRA WIDE LOT

EXTRA DEEP LOT

WEST PARCEL LOT LEGEND

35' X 80' LOT

* RESTRICTED LOT

LEGEND

PROPERTY LINE

EASEMENT LINE

RIGHT OF WAY

CENTERLINE

TRAIL

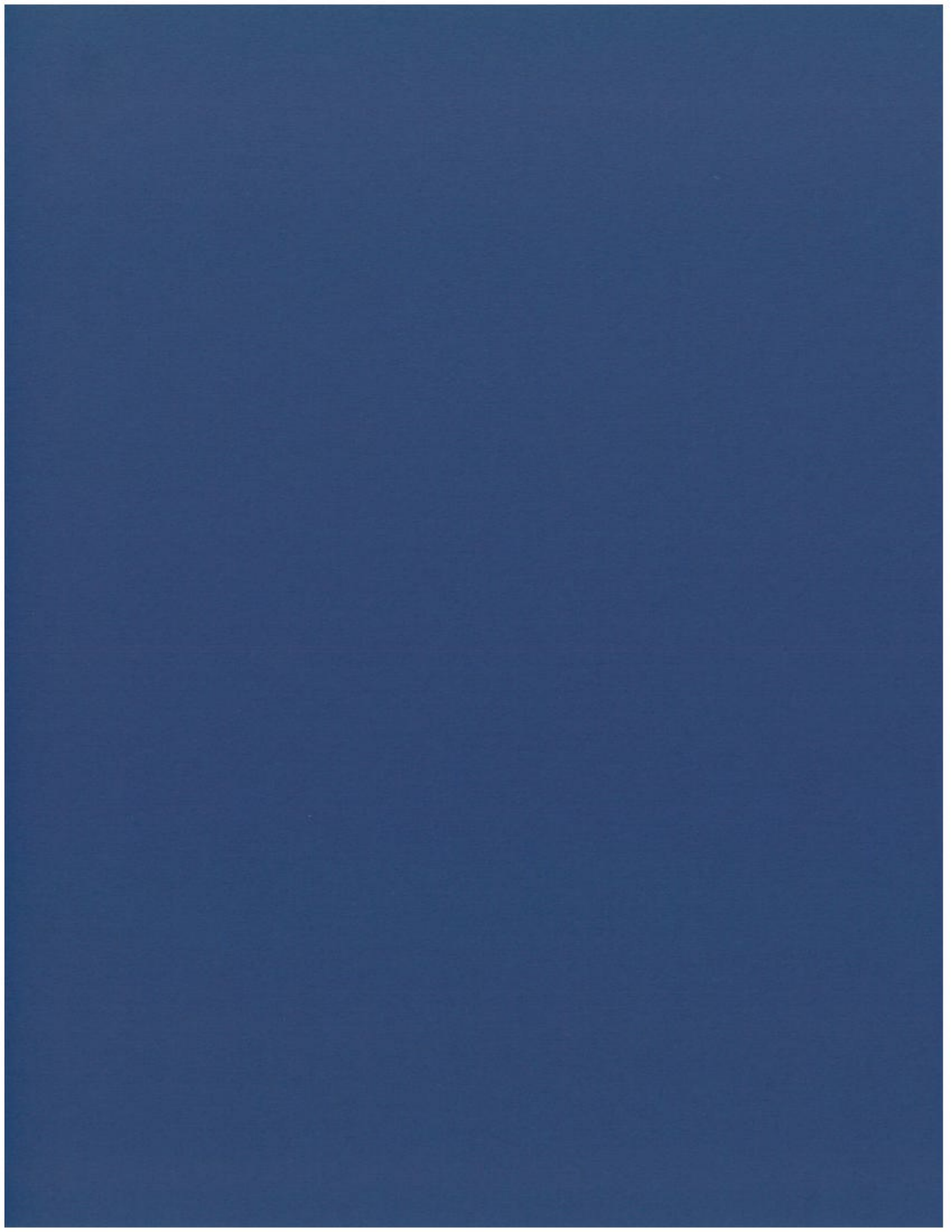
CURB & GUTTER

PROPOSED PARKING LOCATION



PREPARED BY: JAMES W. HARRIS
 DATE: 08/15/2011
 NO. DATE BY REVISION DESCRIPTION
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CONCEPT 8
 LAND USE REVIEW FILE NO.
 SCALE: 1" = 40'
 SHEET

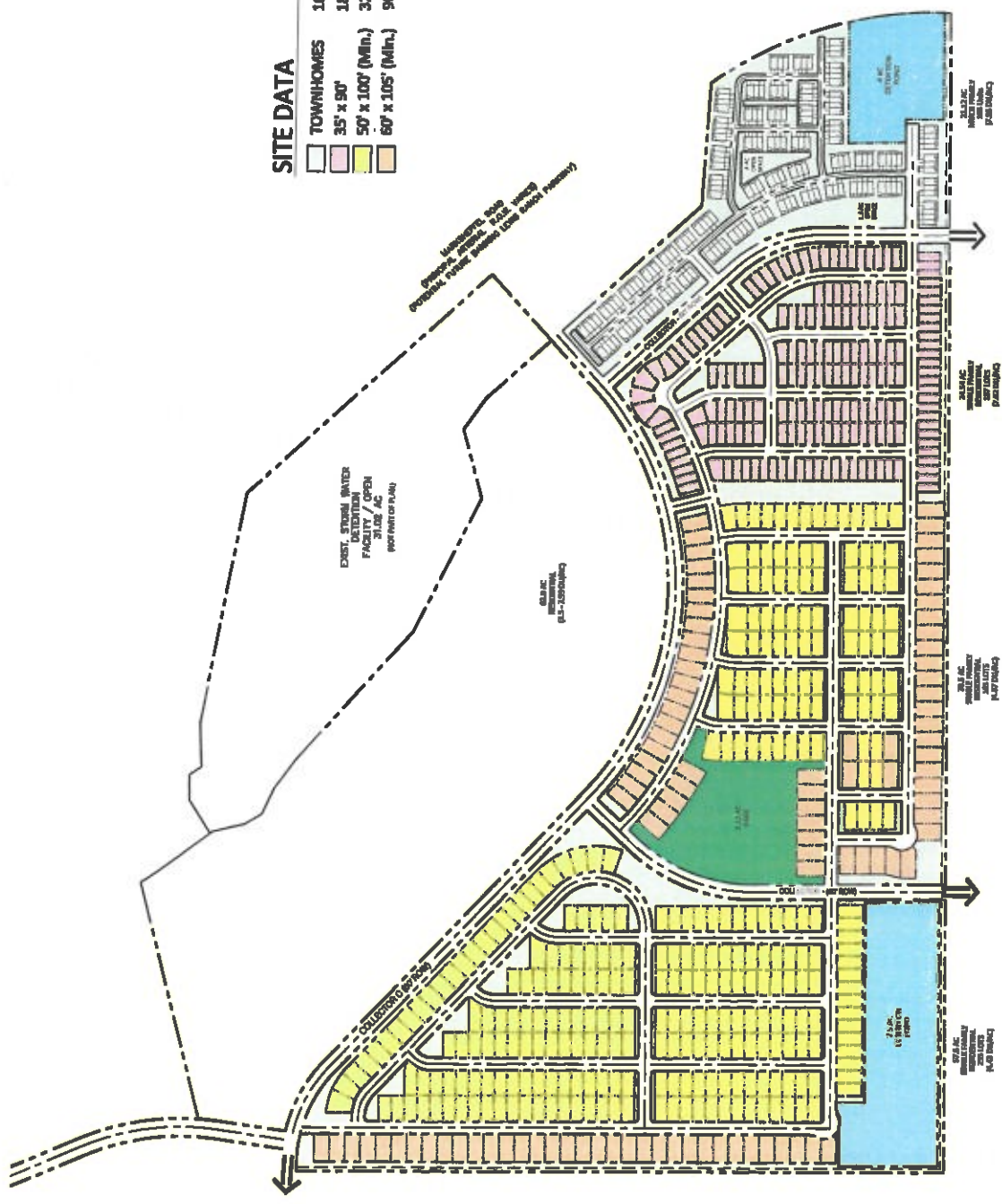


BRADLEY HEIGHTS

DATE: _____	PROJECT: _____
BY: _____	SCALE: _____
CHECKED BY: _____	CONCEPT LAYOUT

SITE DATA

TOWNHOMES	168 UNITS
35' x 50'	187 LOTS
50' x 100' (Min.)	320 LOTS
60' x 105' (Min.)	90 LOTS



EXIST. ZONE: PUD
 EL PASO COUNTY
 EXIST. USE: VACANT/AGRICULTURE

EXIST. ZONE: M2
 DESIGNATED LAND USE: ID
 EXIST. USE: VACANT/AGRICULTURE



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Next, the document addresses the challenges of data management in the digital age. It notes that while digital storage offers convenience, it also introduces risks such as data loss, security breaches, and information overload. Solutions like cloud storage, encryption, and regular backups are suggested to mitigate these risks.

The third section focuses on the role of technology in streamlining business processes. It describes how automation and software tools can reduce manual errors, save time, and improve overall efficiency. Examples include using accounting software for invoicing and project management tools for task delegation.

Finally, the document concludes by stressing the importance of employee training and awareness. It suggests that regular training sessions can help employees understand the correct use of technology and the importance of data security. A culture of transparency and accountability is also encouraged to ensure that all team members are committed to maintaining accurate records.



D|A|DAVIDSON

BRADLEY HEIGHTS
METROPOLITAN DISTRICT NO. 2

FEBRUARY 2021



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1. **Development Plan**
2. **Source and Uses of Bonds**
3. **Debt Map**
4. **Development Fee Comparables - Map**
5. **Development Fee Comparables – Fee Details**
6. **Schedule of Events**



Bradley Heights Metropolitan District No. 2 – Development Plan

Bradley Heights Metropolitan District No. 2						
Statutory Actual Value (2020)	Challenger 35'	Challenger 50'	SFD	Mid Density SF	Single Family Attached	Total Residential
	\$ 375,000	\$ 425,000	\$ 449,000	\$ 399,000	\$ 375,000	
2021						0
2022	50	45	60	43	24	222
2023	50	45	120	72	48	335
2024	48	45	120	72	48	333
2025		36	118		48	202
Total Units	148	171	418	187	168	1092
Total Statutory Actual Value	\$55,500,000	\$ 72,675,000	\$187,682,000	\$ 74,613,000	\$ 63,000,000	\$ 453,470,000

Development Fees:

Single Family Low Density - \$2,999

Single Family Mid density - \$2,500

Multi-family - \$1,999

Commercial - \$.05 / sf

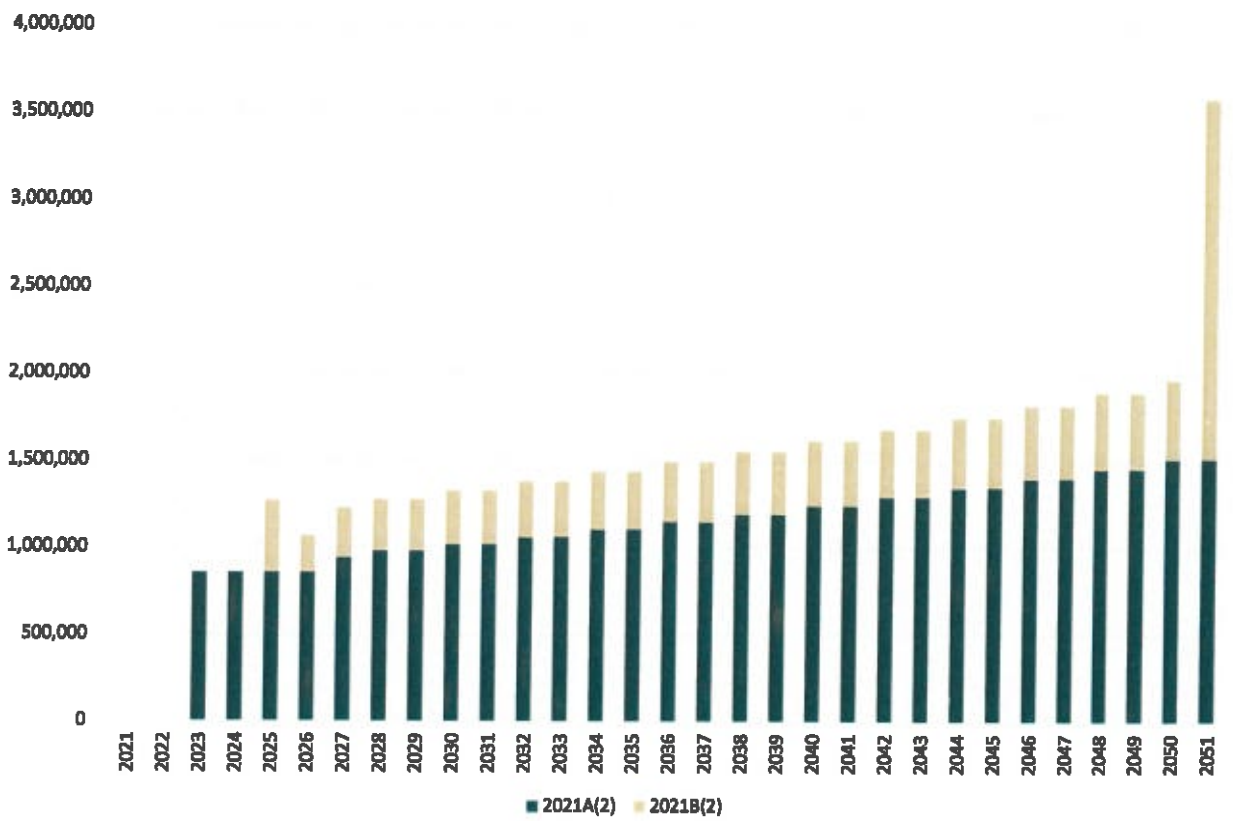


Sources and Uses of the Bonds

Sources	Series 2021A(2)	Series 2021B(2)	Total
Par Amount	16,315,000	3,039,000	19,354,000
Uses	Series 2021A(2)	Series 2021B(2)	Total
Project Fund	12,811,060	2,947,830	15,758,890
Capitalized Interest	1,427,562	0	1,427,562
Debt Service Reserve Fund	1,500,077	0	1,500,077
Cost of Issuance	576,300	91,170	667,470
Total Uses	16,315,000	3,039,000	19,354,000

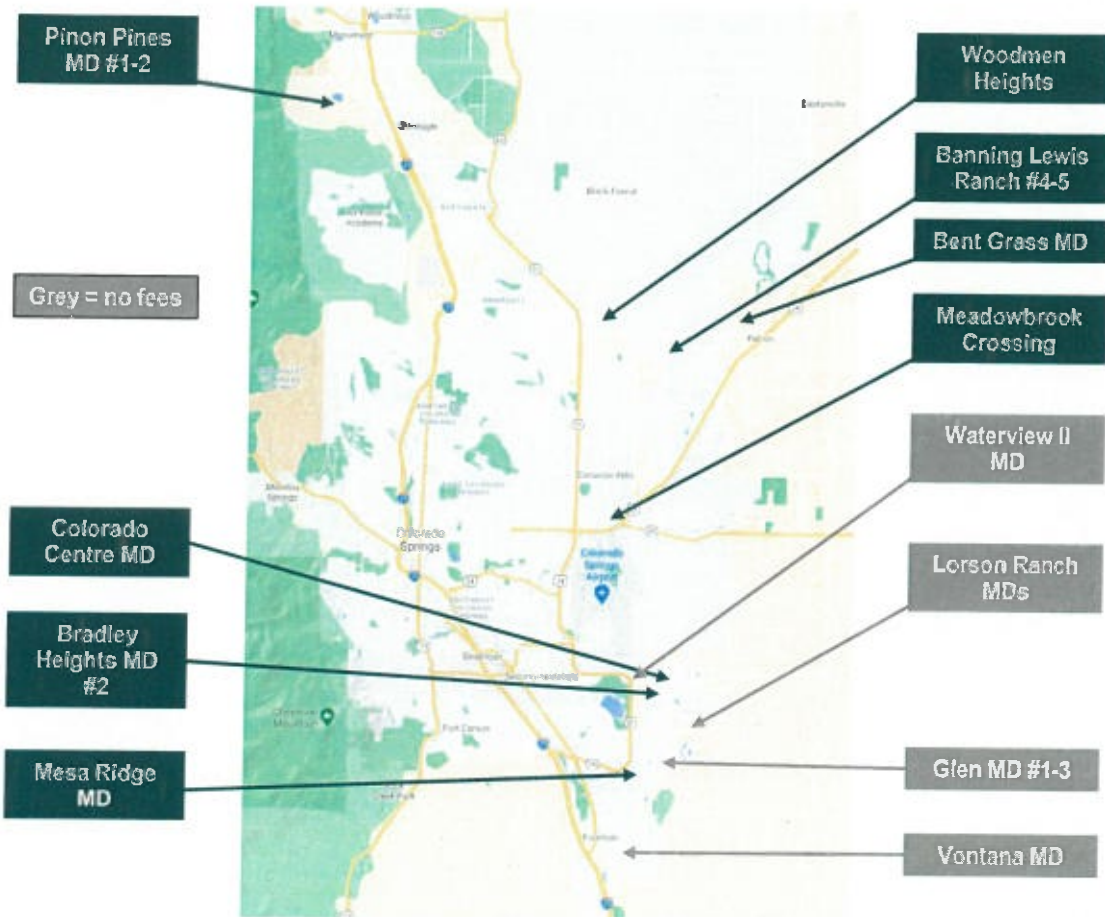


Debt Map – Series 2021A(2) and 2021B(2)





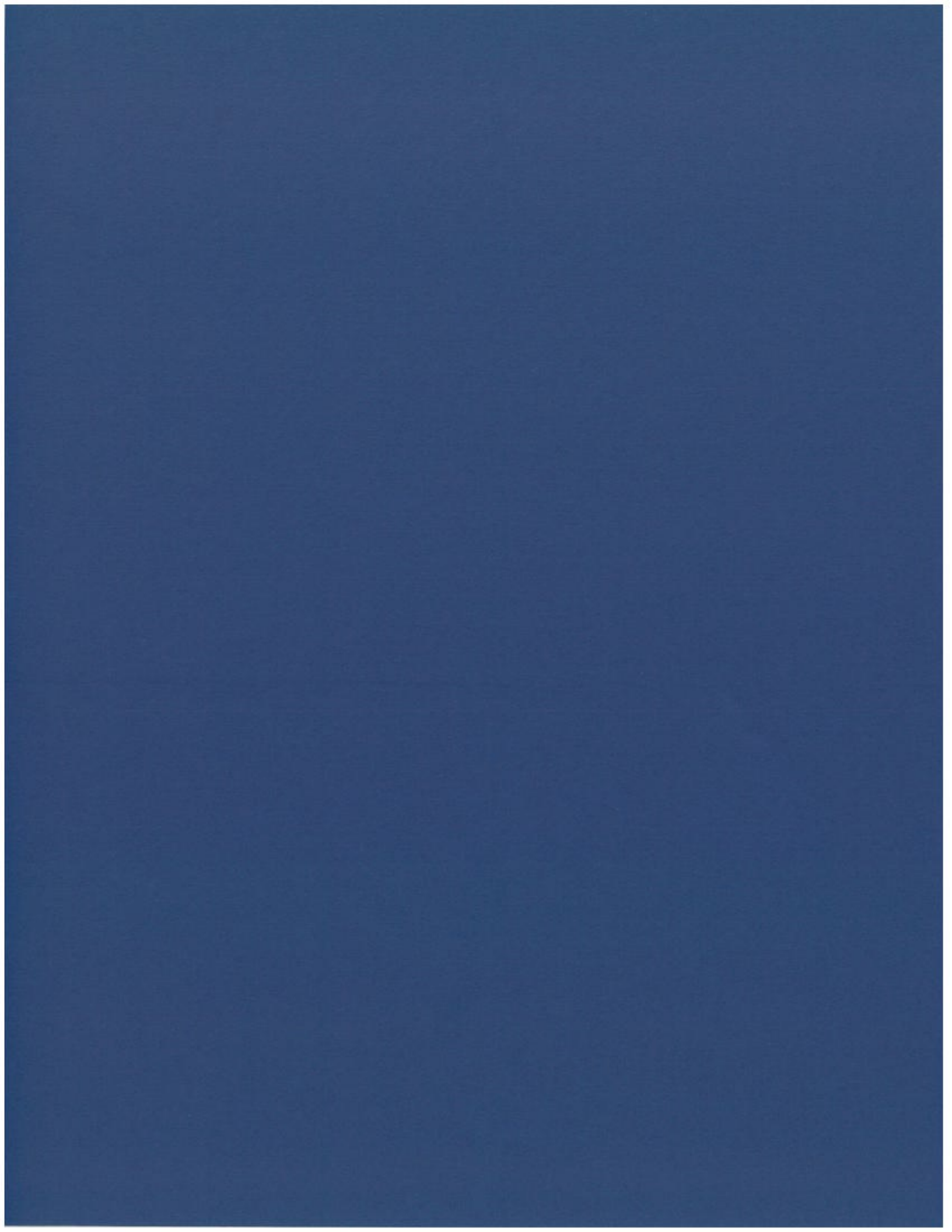
Development Fee Comparables – Map





Development Fee Comparables – Fee Details

District	Development/Facility Fees	Type	Source Year
Mesa Ridge #1 & #2	\$1,500/SFE \$500/multi-family \$0.25/commercial sqft	Residential/ Commercial	2004
Colorado Centre	\$0.30/sqft	Commercial	2011
Banning Lewis Ranch #4	\$1,000/unit	Residential	2019
Banning Lewis Ranch #5	\$1,000/unit	Residential	2018
Sterling Ranch MD #1	\$2,800/unit	Residential	2020
Pinon Pines MD #2	\$5,000/unit	Residential	2020
Glen MD #1-3	<i>System Development and Tap Fee:</i> \$18,000/Single Family Unit (MD #1, MD #3) \$16,000/Single Family Unit (MD #2)	Residential	2003
Woodmen Heights	\$3,960/SFD&SFA \$2,376/TH&MF	Residential	2020
Meadowbrook Crossing	\$2,500 builder impact fee per lot \$1,750 one time homeowner impact fee per family residential unit authorized to impose up to \$500 per single family unit annually	Residential	2020
Bent Grass MD	\$5,500 per developable acreage net of dedicated public right-of-way \$500/single family unit \$350/multi-family unit \$1.00/commercial square foot	Residential/ Commercial	2020



February 1, 2021

Bradley Heights Metropolitan District No. 2
Randle Case, II, Board President
c/o Sean Allen
White Bear Ankele Tanaka & Waldron
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122

**RE: Letter Agreement for Investment Banking Services to
Bradley Heights Metropolitan District No. 2**

District Board,

This letter agreement confirms the terms and conditions upon which D.A. Davidson & Co. Fixed Income Capital Markets ("Davidson"), its successors or assigns will provide investment banking services to Bradley Heights Metropolitan District No. 2 (the "Client").

The investment banking services rendered by Davidson under this agreement may include:

- Analysis of the project's credit quality
- Analysis of the capital markets, including interest rates and terms available in the market
- Evaluating potential strategies to achieve the Client's goals
- Working with the Client's consultants and attorneys to determine the feasibility of various borrowing or restructuring options
- Advising the Client on the structure and terms of a restructured bond or a new bond or loan
- Coordinating with the Client's attorneys and consultants, the dissemination of financial data
- Negotiating the structure and terms of the Bonds/loan with the purchaser on behalf of the Client
- Underwriting or privately placing Bonds on behalf of the Client or assisting the Client in obtaining a direct, tax exempt loan
- Under the direction and legal advice of nationally recognized bond counsel, assist and supervise the steps necessary to be taken to close the transaction

Delivered with this letter are the disclosures required by MSRB Rule G-17 regarding our role, duties and interests as an underwriter of the Bonds. By signing this letter agreement, the Client acknowledges and agrees that: (i) the transaction contemplated by this Agreement will be an arm's length, commercial transaction between the Client and the purchaser, in which Davidson may be acting as an agent or as an underwriter, but not as a municipal advisor, financial advisor or fiduciary to the issuer; (ii) Davidson has not assumed any fiduciary responsibility to the Client with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (iii) the only obligations Davidson will have to the Client with respect to the transaction

contemplated hereby are expressly set forth in this letter agreement; and (iv) the Issuer has consulted and will continue to consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate. The representative of the Client signing this letter agreement has been duly authorized to execute this letter agreement and to act hereunder.

This letter agreement shall remain in full force and effect until such time as the Client notifies Davidson in writing of its intent to terminate this letter agreement. Davidson may resign and terminate this letter agreement by providing written notification with no less than 30 days prior notice to the Client.

At such time as arrangements for the sale of Bonds or other borrowing have been completed, Davidson shall be paid as shown below, or \$30,000, whichever is greater:

- 1.0% of par for the structuring and placement of Bonds with the developer
- 2.0% of par for underwriting/placement of non-investment grade rated Bonds

In addition to such compensation, the following shall be paid by Client as a component of the cost of issuance of the Bonds or placement of the debt: (i) legal fees incurred by Davidson's engagement of underwriter's counsel or placement agent's counsel in connection with the issuance of Bonds or placement of the debt, as applicable; and (ii) legal fees related to third-party review of past continuing disclosure compliance. Unless otherwise agreed to by Client, Client's payment of the foregoing is contingent upon the sale of Bonds or placement of debt.

This letter agreement is not an offer to purchase Bonds. If the sale of Bonds or other borrowing does not occur, Davidson shall not be owed compensation. Please indicate by your signature below your desire to engage D.A. Davidson & Co. Fixed Income Capital Markets to provide investment banking services on these terms.

Respectfully submitted,

D.A. Davidson & Co. Fixed Income Capital Markets



Kyle Thomas
Managing Director

ACCEPTED this ____ day of _____ 2020.

Authorized Officer
Bradley Heights Metropolitan District No. 1



EXHIBIT A

D.A. Davidson & Co. (hereinafter referred to as “Davidson” or “underwriter”) intends/ proposes to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter/senior managing underwriter, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

Disclosures Concerning the Underwriters Role:

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length transaction with the Issuer. The underwriters financial and other interests that may differ from those of the Issuer.
- (iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- (iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

Disclosures Concerning the Underwriters Compensation:

As underwriter, Davidson will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Additional Conflicts Disclosure:

Davidson has not identified any additional potential or actual material conflicts that require disclosure.



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Next, the document addresses the challenges of data management in the digital age. It notes that while digital storage offers convenience, it also introduces risks such as data loss, security breaches, and information overload. Solutions like cloud storage, encryption, and regular backups are suggested to mitigate these risks.

The third section focuses on the role of technology in streamlining business processes. It describes how automation tools can reduce manual errors and save time. Examples include using software for invoicing, inventory management, and customer relationship management (CRM).

Finally, the document concludes by stressing the need for continuous learning and adaptation. As technology and market conditions evolve, businesses must stay informed and be willing to adopt new practices to remain competitive and efficient.

SHERMAN & HOWARD

633 Seventeenth Street, Suite 3000, Denver, CO 80202-3622
Telephone: 303.297.2900 Fax: 303.298.0940 www.shermanhoward.com

February 1, 2021

Board of Directors
Bradley Heights Metropolitan District No. 2
c/o White Bear Ankele Tanaka & Waldron, P.C.
2154 E. Commons Ave. #2000
Centennial, Colorado 80122
Attention: Sean Allen, Esq.

Re: Engagement as bond and special counsel

Ladies and Gentlemen:

We are pleased to confirm our engagement as your bond and special counsel. We appreciate your confidence in us and will do our best to continue to merit it. The purpose of this letter is to set forth in writing the elements of our mutual understanding in establishing our attorney-client relationship.

This letter sets forth the role we propose to serve and the responsibilities we propose to assume as bond and special counsel in connection with the issuance of one or more series of bonds, notes, or other obligations (the "Bonds") by or on behalf of Bradley Heights Metropolitan District No. 2 (the "Issuer"). We understand that the governing body of the Issuer will authorize the execution of this letter at a meeting and will delegate to the presiding officer of the Issuer's governing body the authority to sign this letter and to represent the Issuer during any particular financing. Tiffany L. Leichman and David K. Lucas will be principally responsible for the work performed by Sherman & Howard L.L.C. on your behalf. Where appropriate, certain tasks may be performed by other attorneys or paralegals. At all times, however, Ms. Leichman and Mr. Lucas will coordinate, review, and approval all work completed for the Issuer.

Scope of Employment

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As your bond counsel, we will examine applicable law; consult with the parties to the transaction prior to the issuance of any particular series of Bonds; prepare customary authorizing and operative documents, review a certified transcript of proceedings; and undertake such additional duties as we deem necessary to render the opinion. Subject to the completion of proceedings to our

satisfaction, we will render our opinion relating to the validity of the Bonds, the lien of the Bonds on the revenues pledged to the payment thereof, and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes.

Unless otherwise determined by the Issuer or ourselves in connection with any particular Bond issue, we are also being retained by you to act as special counsel to the Issuer in connection with an Official Statement for any particular series of Bonds (the "Official Statement"). For some Bond issues, the Issuer may decide not to prepare an Official Statement, the Issuer may determine to have the Official Statement prepared by other persons such as underwriter's counsel, or other circumstances could exist which lead to the conclusion that this firm should not act as special counsel in connection with any particular Bond issue, and in such cases, the provisions hereof pertaining to special counsel will be inapplicable.

For Bond issues in which we are also acting as special counsel, we will provide advice to the Issuer on the applicable legal standards to be used in preparing the Official Statement and meeting the Issuer's disclosure responsibilities. At the conclusion of the transaction we will deliver a letter to you stating that we have assisted the Issuer in the preparation of the Official Statement, and that in the course of such assistance, nothing has come to the attention of the attorneys in our firm rendering legal services in connection with our representation which leads us to believe that the Official Statement, as of its date (except for the financial statements, other statistical data and statements of trends and forecasts, information concerning the provider of any credit enhancement, and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Official Statement and its Appendices, as to which we express no view), contains any untrue statement of material fact or omits to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading. If requested, we will prepare the Bond Purchase Agreement on behalf of the Issuer, though this is not normally within the scope of our responsibilities.

In rendering any opinion hereunder, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Any such opinion will be addressed to the Issuer and will be executed and delivered by us in written form on the date a series of Bonds are exchanged for their purchase price (with respect to that series, the "Closing"), and will be based on facts and law existing as of such date.

Our services hereunder are limited to those contracted for explicitly in this letter. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman & Howard L.L.C. in any IRS audit or any litigation involving the Issuer or the Bonds, or any other matter. Neither do we assume responsibility for the preparation of any collateral documents (*e.g.*, environmental impact statements) which are to be filed with any state, federal or

other regulatory agency. Nor do our services include financial advice (including advice about the structure of any Bonds) or advice on the investment of funds related to any Bond issue.

Representation of the Issuer

In performing our services hereunder our client will be the Issuer. Accordingly, in any negotiations concerning the terms of the financing, we will represent the interests of the Issuer. We will work closely with the Issuer's attorney and will rely on his/her opinion with regard to specific matters, including pending litigation. We do not represent any developer or owner of property within the Issuer, nor do we represent the Board members in their individual capacity. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our limited representation of the Issuer does not alter our responsibility to render an objective opinion as bond counsel.

Conflicts of Interest

Before accepting any new business, the Colorado Rules of Professional Conduct (the "Rules") require us to evaluate whether there are any ethical constraints to representing you in this new matter. As you are aware, our Public Finance Department practices in all areas of public finance in Colorado and other states, and in such practice simultaneously represents many political subdivisions, investment bankers/underwriters, trustees, financial institutions, and other companies and individuals. In addition, our other departments also represent various persons or institutions which may have or will have dealings with the Issuer, and which may be adverse to the Issuer.

We have completed a conflicts check within our firm and have found no current conflict between the Issuer and our existing clients, except as described below.

Current or Anticipated Representations - We have in the past, and are currently representing or are undertaking to represent, many of the firms which may be selected to act as your underwriter, financial advisor, or placement agent, as well as many of the banks which may be selected to act as trustee or paying agent, in unrelated bond or other transactions. Technically, because the Issuer sells its bonds to an underwriter or purchaser, and because the Issuer enters into agreements with the trustee or paying agent, the Issuer's interests can be viewed as "adverse" to those of such underwriter or bank. Our past, current, and anticipated representations of the underwriter and bank are not in any way connected to any Bonds of the Issuer which are currently contemplated or planned; however, under the ethical Rules, attorneys in our firm cannot simultaneously represent such adverse parties, even though the transactions are wholly unrelated, unless we reasonably believe that our representation of the Issuer will not adversely affect our relationship with such other parties, and unless each client, after consultation, consents to the adverse representation. Please be advised that we routinely receive the consent of underwriters and other public finance clients to our representation of governmental entities in matters unrelated to our representations of such clients.

Future Representations - In addition, during the course of our engagement with you or at some future time, it is likely that we will be asked to represent such parties, or other persons or entities who have dealings with the Issuer, in other matters or transactions unrelated to any Bonds. Even though such existing and prospective engagements will be unrelated to any Bonds, we believe that good practice, and the Rules, require us to obtain the Issuer's consent thereto. With respect to our future representation of such parties in matters unrelated to any Bonds, we acknowledge that you might be concerned about confidentiality of information. The Rules prohibit the use of information obtained in our capacity as bond and special counsel to the disadvantage of the Issuer. Accordingly, we do not believe that our existing or former representation of the underwriter or the bank will act as a material limitation on our ability to represent the Issuer as bond and special counsel.

Factors Considered - We do not believe that our current, anticipated, or future engagements will materially limit or adversely affect our ability to represent the Issuer either: (i) because the potential for adversity is remote or minor and is outweighed by the consideration that it is unlikely that any advice given to other clients in unrelated transactions would be relevant to our representation of the Issuer in connection with any Bonds, or (ii) because such matters are or will be sufficiently different from this financing so as to make the representation not adverse to our representation of the Issuer in connection with any Bonds. In reviewing our current, anticipated, and potential future representation of the parties discussed above, we have considered: whether we can represent each client with undivided loyalty; whether we can protect the confidentiality of each client; the limited duration and extent of our engagement with the parties; the likelihood that a conflict will eventuate, possibly requiring our withdrawal from the representation; and should any conflict arise, any prejudice to each client which might result therefrom.

Consent Requested - In determining whether to consent to and waive the foregoing conflicts of interest, you should understand that your waiver includes your acknowledgement and agreement: (i) that you are not entitled to information we will obtain during our representation of the underwriter, bank, or other parties, and (ii) that we have no duty to provide such information to you or to use it in representing you. We advise you to discuss with your general counsel the advantages and risks involved in such simultaneous, adverse representations. Pursuant to such consultation and the matters discussed herein, we will treat your execution of this letter as consent to our current, anticipated, and future representations of such other parties in matters unrelated to any Bonds. If at any time a question should arise about an adverse representation, please do not hesitate to contact us.

Document Retention

At or within a reasonable period after Closing, we will direct a review of the file to determine what materials should be retained as a record of the representation and those which are no longer needed. Ordinarily, we will return original legal documents to you along with the Closing transcripts, and we will retain for several years such materials as correspondence, final

substantive work product, documents obtained from the client, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material, or drafts and notes that do not appear needed any longer.

As to the client file materials that we retain, ordinarily the firm will keep those for a period of seven years after the final maturity of any particular issue of Bonds. At the end of that time, unless the Issuer has advised us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may return the client file to you sooner than the end of this period as our storage facilities are limited, however, we always reserve the right to retain a copy of the files. If the Issuer wishes to make other arrangements for retention or disposition of files, please so advise us in writing.

Electronic Communications

Although the Issuer and our firm recognize e-mail may not always be a secure method of communication, and could be intercepted and read by persons who are not the intended recipients, the Issuer and the firm agree to the use of unencrypted e-mail for communications made during the course of this engagement, including communications containing confidential information or advice. The Issuer may, however, at any time request us to use a specified more secure or different method of communication for confidential information or advice, including communications about a particular subject, and we will take reasonable measures to implement the request from the Issuer.

Fee Arrangement

At this time the size of any Bond issue, the nature of the security therefor, and other matters have not been determined. Additionally, the nature of any other legal services which may be requested hereunder is undetermined. As a result, it is agreed that for such future Bond issues, if any, we will represent the Issuer hereunder for a reasonable, mutually agreed-upon fee, based upon the structure of the particular transaction and our responsibilities in connection therewith. In addition, we will expect to be reimbursed for all out-of-pocket expenses, including travel costs, photocopying, deliveries, long distance telephone charges, filing fees, and other necessary office disbursements in connection with that transaction.

Our fees for acting as bond and special counsel, unless otherwise agreed to at the time, will be contingent upon the Issuer being legally able to proceed to Closing, to be paid at the Closing out of the Bond proceeds or other legally available moneys of the Issuer. In the event that the Issuer is able to issue a particular Bond issue as a matter of law, but chooses not to as a result of financial or other factors, our fees will not be contingent, and in such event we will bill the Issuer for the time spent on such Bond issue at our usual hourly rates, plus out-of-pocket expenses. Mr. Lucas' current hourly rate is \$615 an hour and Ms. Leichman's current hourly rate is \$500 an hour.

With respect to the provision of legal services in connection with municipal finance matters which do not result in the issuance of Bonds, our fees will be at our usual hourly rates, plus out-of-pocket expenses, and shall not be contingent.

Termination of Engagement

The above fees contemplate compensation for usual and customary services as described above. Upon delivery of the opinion or opinions referenced herein, our responsibilities hereunder will terminate with respect to a particular financing. Specifically, but without implied limitation, we do not undertake to provide continuing advice to the Issuer or to any other party to the transaction.

This engagement is terminable by either party upon 15 days' notice to the other party; provided that: (i) the foregoing shall not alter or affect our responsibilities to the Issuer under the Code of Professional Responsibility or other applicable laws, rules, and regulations; and (ii) if the Issuer terminates us without cause while we are engaged in a matter on its behalf for which attorney or paralegal time has been expended, the Issuer will pay us our usual fees for such time spent, at our then-applicable hourly rates.

Approval

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning to us a copy of this letter signed by an authorized officer.

We sometimes do not receive signed engagement letters back from clients for various reasons, but the client still wishes for us to serve as their bond counsel. Accordingly, so that we may begin work on this matter soon per your instructions, if you do not return a signed letter to us or inform us of any comments or objections to this letter, we will consider this letter and the referenced fee arrangement to govern our relationship unless you and we agree otherwise in writing.

We are pleased to have the opportunity to serve you and look forward to a mutually satisfactory and beneficial relationship. If at any time you have questions concerning our work or our fees, we hope that you will contact us immediately.

SHERMAN & HOWARD L.L.C.



By: Tiffany L. Leichman

Accepted and Approved:

**BRADLEY HEIGHTS METROPOLITAN
DISTRICT NO. 2**

By: _____

Its: _____

Date: _____

The first part of the document discusses the importance of maintaining accurate records in a business setting. It highlights how proper record-keeping can help in decision-making, legal compliance, and financial management. The text emphasizes that records should be organized, up-to-date, and easily accessible to all relevant personnel.

Next, the document addresses the challenges of data management in the digital age. With the increasing volume of data generated by various systems, businesses face the task of storing, securing, and analyzing this information effectively. The text suggests implementing robust data management strategies, including regular backups, security protocols, and the use of data analytics tools to extract valuable insights from the data.

The third section focuses on the role of technology in streamlining business operations. It explores how automation and digital tools can reduce manual errors, save time, and improve overall efficiency. The text encourages businesses to invest in reliable technology solutions that can integrate with their existing systems and support their growth objectives.

Finally, the document concludes by emphasizing the importance of continuous learning and adaptation. In a rapidly changing business environment, organizations must stay updated on the latest trends and technologies. The text suggests fostering a culture of innovation and providing ongoing training and development opportunities for employees to ensure they have the skills needed to succeed in the future.



Schedule of Events

February 2021							March 2021							April 2021							May 2021						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6	1	2	3	4	5	6					1	2	3							1	
7	8	9	10	11	12	13	7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28							28	29	30	31				25	26	27	28	29	30	23	24	25	26	27	28	29	
																			30	31							

ACTIVITY	DATE/TIME
Launch transaction	February 12, 2021
<i>President's Day Observed</i>	<i>February 15, 2021</i>
Disclosure questionnaire distributed	February 22, 2021
Bond Counsel distributes draft documents	March 10, 2021
Completed disclosure questionnaire due back to Disclosure Counsel	March 17, 2021
Disclosure Counsel distributes draft PLOM	March 24, 2021
Market Study Released	March 31, 2021
Comments on PLOM and Market Study due	April 7, 2021
Draft Cash Flow Analysis Circulated	April 12, 2021
Disclosure counsel distributes 2 nd draft PLOM	April 19, 2021
Final comments due on PLOM and Cash Flow Analysis	April 26, 2021
Post PLOM	May 3, 2021
Board meetings to approve Parameters Bond Resolution	May TBD, 2021
Bond pricing	May 17, 2021
Distribute closing documents	May 19, 2021
Post LOM / Pre-Closing	May 25, 2021
Closing	May 26, 2021

The first part of the document discusses the importance of maintaining accurate records of all transactions. This includes not only sales and purchases but also any other financial activities that may occur. It is essential to ensure that all entries are properly documented and supported by appropriate evidence.

In addition, the document emphasizes the need for regular reconciliation of accounts. This process involves comparing the company's internal records with external statements, such as bank statements or supplier invoices, to identify any discrepancies. Regular reconciliation helps to prevent errors and ensures that the financial data is accurate and up-to-date.

Furthermore, the document highlights the significance of maintaining a clear and organized system for storing financial records. This can be achieved through the use of standardized forms, consistent coding systems, and secure storage methods. A well-organized system makes it easier to locate and retrieve information when needed, which is crucial for audits and financial reporting.

Finally, the document stresses the importance of staying up-to-date with the latest accounting standards and regulations. The financial reporting environment is constantly evolving, and it is essential for businesses to adapt to these changes to ensure compliance and the accuracy of their financial statements.