

BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Tuesday, September 14, 2021 at 9:00 AM

Regular Board Meeting

119 N. Wahsatch Ave.

Colorado Springs, Colorado 80903

and

Via tele/videoconference

<https://global.gotomeeting.com/join/547622885>

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 547-622-885

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

Ray O'Sullivan 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 August 10, 2021 Meeting minutes (see attached)
5. Bond Issue Matters
 - a. Project funds in account
 - b. Requisition process
6. District Manager Report
 - a. Budget process for 2022 November 9 meeting date projection
7. President of the Board Report
8. Development Status Review
 - a. Engineering update
 - Phasing, priorities, Contractor selection process,
 - Proposal for Construction Management and Engineering
 - Project Operations Manual
 - Topographic survey
 - b. Plan updates

- Traffic Study review and approval to submit
 - Utility update – water line
 - MDDP
- c. Redemption Hill Church
 - d. Challenger Homes
 - e. Bradley Ridge
9. Financial Matters
 - a. Approve Unaudited Financial Reports for August 31, 2021 and Payables for August 31, 2021 (see attached)
 10. Other Business
 - a. Next Regular Meeting Date
 11. Adjourn

2021 Regular Meetings	Location
The Second Tuesday of every month at 9:00 A.M. Please Call 719-447-1777 for meeting information	119 N. Wahsatch Ave. Colorado Springs, Colorado and https://global.gotomeeting.com/join/547622885 United States: +1 (646) 749-3122 Access Code: 547-622-885

NOTICE OF REGULAR 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 meetings at 9:00 AM on Tuesday, the 14th day of September at 119 North Wahsatch Ave. in Colorado Springs, Colorado, and via tele/videoconferencing at the following:

<https://global.gotomeeting.com/join/547622885>

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 547-622-885

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



**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD AUGUST 10, 2021
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 Tuesday, August 10, 2021 at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and at the tele/videoconference platform of GoToMeeting link: <https://global.gotomeeting.com/join/547622885>

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice President
Lindsay Case, Treasurer/Secretary
Robert Case, Assistant Secretary (by phone)
Ray O'Sullivan, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (by phone)
Kevin Walker, WSDM, District Manager (by phone)
Rebecca Hardekopf, WSDM
Eric Smith, Interim District Engineer (by phone)
Kyle Thomas, D.A. Davidson (by phone)
David Neville, Kiemele Family Partnerships (by phone)
Tiffany Liechman, Bond Counsel (by phone)
Corey Petersen, Matrix (by phone)

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 by President Case II at 9:00 a.m.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Case II 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 Agenda: Director O’Sullivan moved to approve the Agenda as presented; seconded by Director Long. Motion passed unanimously.
4. Approval of the July 13, 2021 Meeting Minutes: After review, Director Robert Case moved to approve the July 13, 2021 Meeting Minutes as presented; seconded by Director Long. Motion passed unanimously.
5. Bond Issue Matters
 - a. Bond Issuance Status Report – DA Davidson: Mr. Thomas reported they will be posting the Offering document this morning and once the document is posted there will be a 10-day period where the bonds are marketed with the goal to price bonds on August 19th and close the week after.
 - b. Schedule and Terms update: Mr. Walker reported the City approved the terms changes on the Bond Resolution last Friday. Mr. Thomas noted pricing will be on August 19th and closing on August 26th with the final terms known once the bonds are priced.
 - c. Document Review
 - PLOM: Mr. Thomas presented the PLOM and explained the underwriter uses this document to market bonds to investors. It describes the basic terms of the financing and who the bonds can be sold to, summary of the Board of Directors and other professionals who have worked on the transaction, maps, risk factors, and a description of District matters.
 - Improvements and mapping: Mr. Thomas noted a map is included in the PLOM that shows the entire District and the improvements to be made. Mr. Thomas discussed the summarization of all the costs included in the PLOM. Mr. Allen noted the District acknowledges the priorities in the PLOM, but the priorities can be changed at the Board’s discretion.
 - Cost allocation District 2 and 3: Mr. Smith discussed the cost allocation between District 2 and 3 and a summary of bond proceeds and revenues. Mr. Smith reported that the distribution of costs and acreages/values is very close to being the same and that this justifies District 3 pledging revenues to the District 2 bonds.
 - d. Consider approval of:
 - Bond Resolution for Series 2021 District 2 Bond Issuance: Ms. Liechman presented the Bond Resolution for Series 2021 District 2 Bond Issuance. She noted it is an authorizing action and not a commitment. President Case II noted a spelling correction to Director Lindsay Case’s name and requested that Director O’Sullivan be added to the documents. Ms. Liechman discussed the parameters of the Resolution in detail for the Board. Director Lindsay Case moved to designate President Case II as the authorized District and Sales Representative; seconded by Director Long. Motion passed unanimously. After review, Director Lindsay Case moved to approve the Bond Resolution for Series 2021 District 2 Bond Issuance with the discussed changes; seconded by Director Long. Motion passed unanimously.

- District 3 Capital Pledge Agreement: Ms. Liechman presented the District 3 Capital Pledge Agreement and noted the parameters are almost identical to the District 2 Resolution. Ms. Liechman confirmed she will make the discussed spelling correction and add Director O'Sullivan to the documents. Director Lindsay Case moved to approve the District 3 Capital Pledge Agreement with the discussed changes; seconded by Director O'Sullivan.
- 6. District Manager Report: Mr. Walker reported that he has been working on bond issuance matters as well as regular District matters including agendas, minutes, and documents. Financials and payables will be reviewed later in the meeting. Mr. Walker has also been coordinating with Mr. Smith on preparations for when bond funds are received.
- 7. President of the Board Report: President Case II reported he met with developers that will be discussed later in Agenda item 8. President Case II has been working with the City Traffic office on road issues along the east and north side of the project which are still pending. There have also been discussions with CSU on their advancement of a 30" water line coming down from the north.
- 8. Development Status Review
 - a. Traffic Engineering study: Mr. Smith reported the traffic study is complete and pending review. All major roadways will be collectors and have been coordinated with the City.
 - b. New topographic survey: Mr. Smith distributed two proposals for the topographic survey for review. Mr. Smith recommends Edward James for the survey work. He suggested combining existing surveys for a more complete assessment. Director Lindsay Case moved to approve the Edward James proposal subject to intent to avoid duplication; seconded by Director Robert Case. Motion passed unanimously.
 - c. Stormwater update – MDDP: Mr. Smith noted the focus will be on the topographic survey before addressing the stormwater.
 - d. Master Utility Plan: Mr. Smith noted the focus will be on the topographic survey before addressing the Master Utility Plan. He noted it will not hold up work with the roads moving forward.
 - e. Redemption Hill Church – PILOT: Mr. Walker reported that he created a construction cost-sharing agreement that was shared with Ms. Friedman and Redemption Hill Church, and they are currently reviewing.
 - f. Challenger Homes: President Case II noted that Challenger Homes had a conflict with this meeting but were included in meetings last week.
 - g. Bradley Ridge: Director O'Sullivan reported they are engaged with NES and Galloway to move forward with preliminary and final plans. They are hoping to final plat the first 159 townhomes and 160 single-family homes by May 2022.
- 9. Financial Matters
 - a. Approve Unaudited Financial Reports for July 31, 2021 and Payables for July 31, 2021: Mr. Walker presented the Unaudited Financial Reports for July 31, 2021 and noted the Payables will be available for approval next month.
- 10. Other Business
 - a. Joint Resolution Designating Meeting Location (Physical and Virtual): Mr. Allen explained the Resolution acknowledges the new Colorado law that permits virtual meetings as well as physical meetings or a combination. Director Long moved to approve the Joint Resolution Designating Meeting Location; seconded by Director Robert Case. Motion passed unanimously.

b. Next Regular Meeting Date: September 14, 2021 at 9:00 a.m.

11. Adjourn: The Board adjourned the meeting at 10:01 a.m.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary

Bradley Heights Metropolitan District

PAYMENT REQUEST

OUTSTANDING INVOICES AS OF 8/31/21

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
RLI Surety	LSM0674428	8/12/2021	\$ 250.00	D1 Bond Insurance
RLI Surety	LSM0674431	8/12/2021	\$ 250.00	D2 Bond Insurance
RLI Surety	LSM0674434	8/12/2021	\$ 250.00	D3 Bond Insurance
Walker Schooler District Managers	6434	11/30/2020	\$ 698.00	
Walker Schooler District Managers	6637	11/30/2020	\$ 662.00	
Walker Schooler District Managers	6724	12/31/2020	\$ 2,000.00	
Walker Schooler District Managers	6725	1/31/2021	\$ 2,000.00	
Walker Schooler District Managers	6726	2/28/2021	\$ 2,000.00	
Walker Schooler District Managers	6727	3/31/2021	\$ 2,000.00	
Walker Schooler District Managers	6737	4/30/2021	\$ 2,000.00	
Walker Schooler District Managers	6804	5/31/2021	\$ 2,012.00	
Walker Schooler District Managers	6825	6/30/2021	\$ 2,337.21	
Walker Schooler District Managers	6845	7/31/2021	\$ 2,000.00	
Walker Schooler District Managers	6871	8/31/2021	\$ 2,076.80	
White Bear Anekele	159387	5/31/2021	\$ 3,841.62	
White Bear Anekele		6/30/2021	\$ 4,734.48	
White Bear Anekele	17028	7/31/2021	\$ 4,773.48	
White Bear Anekele	18027	8/31/2021	\$ 4,194.07	
TOTAL			\$ 38,079.66	

\$38,079.66

Bradley Heights Metropolitan District

Balance Sheet

As of August 31, 2021

	Aug 31, 21
ASSETS	
Current Assets	
Checking/Savings	
US Bank 1 036 9030 9143	-148.35
ECB - Checking	2,328.16
Total Checking/Savings	2,179.81
Other Current Assets	
Due From District 3	660.00
Due From District 2	200.00
A/R - EPC Treasurer	34.40
Total Other Current Assets	894.40
Total Current Assets	3,074.21
TOTAL ASSETS	3,074.21
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	37,579.66
Total Accounts Payable	37,579.66
Total Current Liabilities	37,579.66
Long Term Liabilities	
Developer Advance - Randle Case	36,000.00
Marksheffel-Woodmen Investments	70,850.00
Total Long Term Liabilities	106,850.00
Total Liabilities	144,429.66
Equity	
Retained Earnings	-85,184.30
Net Income	-56,171.15
Total Equity	-141,355.45
TOTAL LIABILITIES & EQUITY	3,074.21

Bradley Heights Metropolitan District No. 1

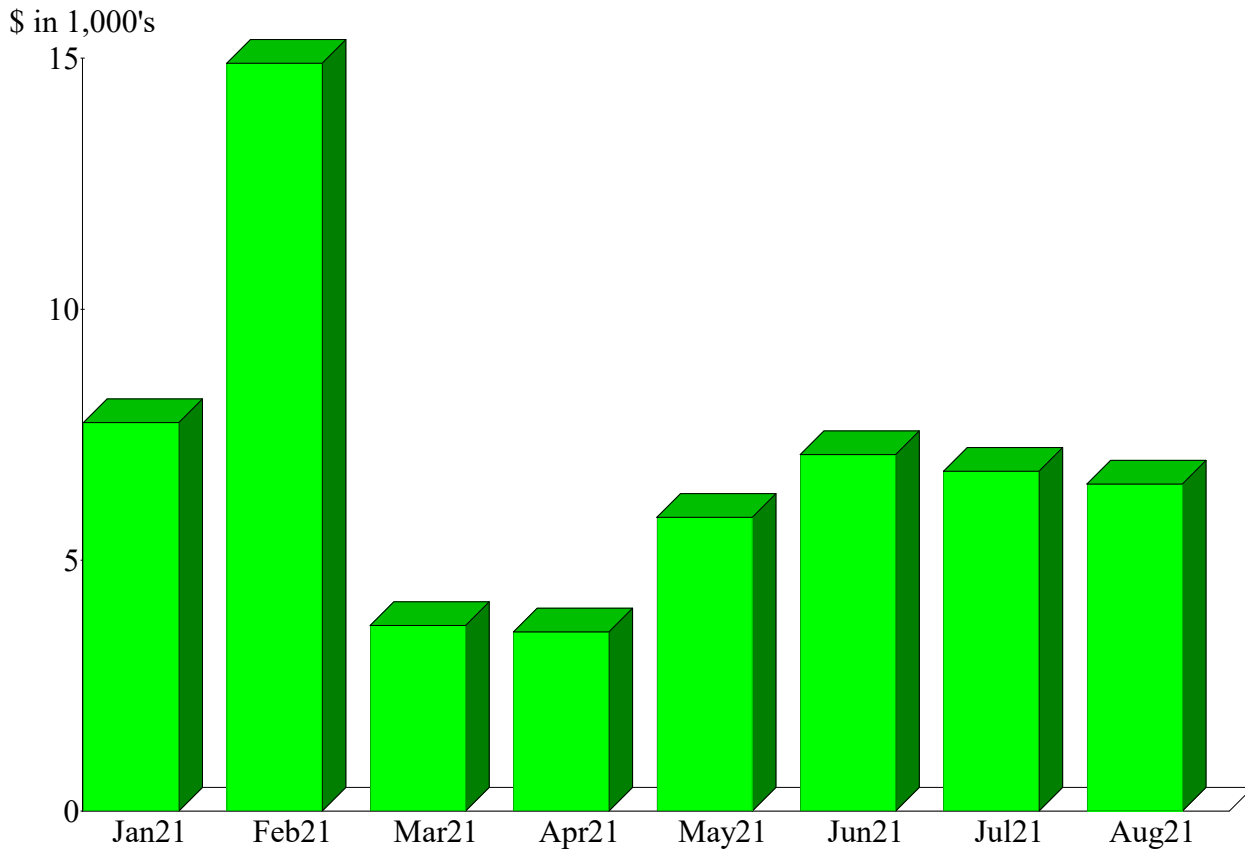
Profit & Loss Budget vs. Actual

January through August 2021

	TOTAL				
	Aug 21	Jan - Aug 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Developer Advance	0.00	0.00	25,000.00	-25,000.00	0.0%
Transfer From District 2-O&M	0.00	0.00	337.49	-337.49	0.0%
Transfer From District 3-O&M	0.00	0.00	161.84	-161.84	0.0%
Total Income	0.00	0.00	25,499.33	-25,499.33	0.0%
Expense					
Accounting	0.00	0.00	3,000.00	-3,000.00	0.0%
Bank Service Charge	0.00	32.00	100.00	-68.00	32.0%
Bonds					
Cost of Issuance	0.00	10,000.00			
Total Bonds	0.00	10,000.00			
Contingency	0.00	0.00	5,000.00	-5,000.00	0.0%
Copies & Postage	76.80	148.80			
District Management	2,000.00	19,637.21	6,000.00	13,637.21	327.29%
Dues & Subscriptions (SDA)	0.00	1,237.50	350.00	887.50	353.57%
Insurance	250.00	2,632.00	2,500.00	132.00	105.28%
Legal	4,194.07	22,483.64	10,000.00	12,483.64	224.84%
Total Expense	6,520.87	56,171.15	26,950.00	29,221.15	208.43%
Net Ordinary Income	-6,520.87	-56,171.15	-1,450.67	-54,720.48	3,872.08%
Net Income	-6,520.87	-56,171.15	-1,450.67	-54,720.48	3,872.08%

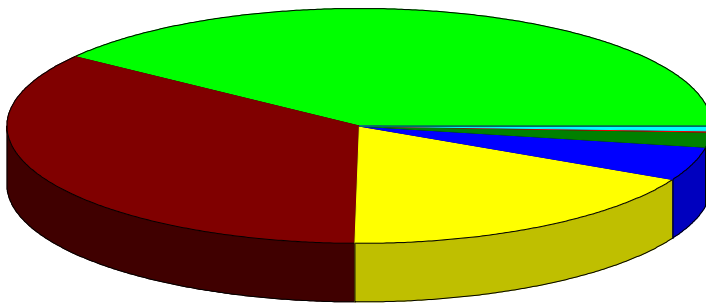
Income and Expense by Month January through August 2021

Expense



Expense Summary January through August 2021

Legal	40.03%
District Management	34.96
Bonds	17.80
Insurance	4.69
Dues & Subscriptions (SDA)	2.20
Copies & Postage	0.26
Bank Service Charge	0.06
Total	\$56,171.15



By Account

Bradley Heights Metropolitan District No. 2

09/09/21

Balance Sheet

Accrual Basis

As of August 31, 2021

	Aug 31, 21
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	202.33
UMB - Project Fund 156470.2	33,968,079.37
UMB - COI Fund 156470.3	28,000.78
Total Checking/Savings	33,996,282.48
Other Current Assets	
Property Tax Receivable	102.00
Total Other Current Assets	102.00
Total Current Assets	33,996,384.48
TOTAL ASSETS	33,996,384.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	250.00
Total Accounts Payable	250.00
Other Current Liabilities	
Due to District 1	200.00
Deferred Property Tax Revenue	102.00
Total Other Current Liabilities	302.00
Total Current Liabilities	552.00
Long Term Liabilities	
Series 2021A Bonds	35,000,000.00
Total Long Term Liabilities	35,000,000.00
Total Liabilities	35,000,552.00
Equity	
Retained Earnings	35.51
Net Income	-1,004,203.03
Total Equity	-1,004,167.52
TOTAL LIABILITIES & EQUITY	33,996,384.48

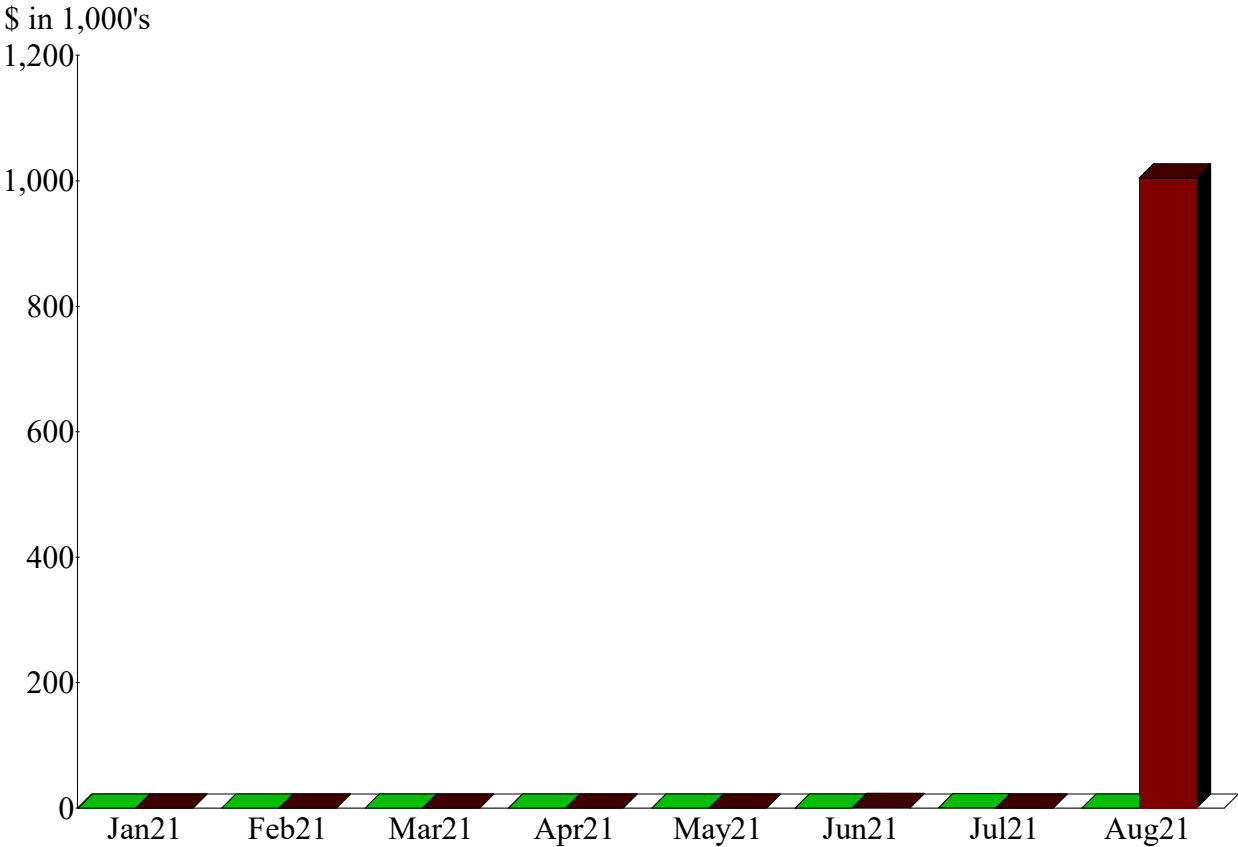
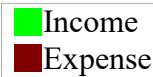
Bradley Heights Metropolitan District No. 2

Profit & Loss Budget vs. Actual

January through August 2021

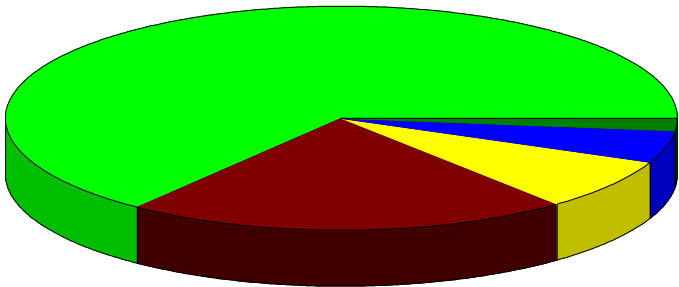
	TOTAL				
	Aug 21	Jan - Aug 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	0.00	294.40	319.90	-25.50	92.03%
Specific Ownership Tax - O&M	3.05	21.45	22.39	-0.94	95.8%
CY Property Tax - Debt	0.00	883.20	959.70	-76.50	92.03%
Specifice Ownership Tax - Debt	9.16	64.43	67.18	-2.75	95.91%
Impact Fees	0.00	0.00	100.00	-100.00	0.0%
Total Income	12.21	1,263.48	1,469.17	-205.69	86.0%
Expense					
Bond Expense					
Cost of Issuance	304,022.50	304,022.50	1,020,591.00	-716,568.50	29.79%
Paying Agent Fee	700,000.00	700,000.00			
Total Bond Expense	1,004,022.50	1,004,022.50	1,020,591.00	-16,568.50	98.38%
Insurance	250.00	1,529.00			
Contingency	0.00	0.00	100.00	-100.00	0.0%
Treasurer Collection Fee - O&M	0.00	4.42	4.80	-0.38	92.08%
Treasurer Collection Fee - Debt	0.00	13.24	14.40	-1.16	91.94%
Total Expense	1,004,272.50	1,005,569.16	1,020,710.20	-15,141.04	98.52%
Net Ordinary Income	-1,004,260.29	-1,004,305.68	-1,019,241.03	14,935.35	98.54%
Other Income/Expense					
Other Income					
Interest Income - Debt	102.65	102.65			
Total Other Income	102.65	102.65			
Net Other Income	102.65	102.65	0.00	102.65	100.0%
Net Income	<u><u>-1,004,157.64</u></u>	<u><u>-1,004,203.03</u></u>	<u><u>-1,019,241.03</u></u>	<u><u>15,038.00</u></u>	<u><u>98.53%</u></u>

Income and Expense by Month January through August 2021



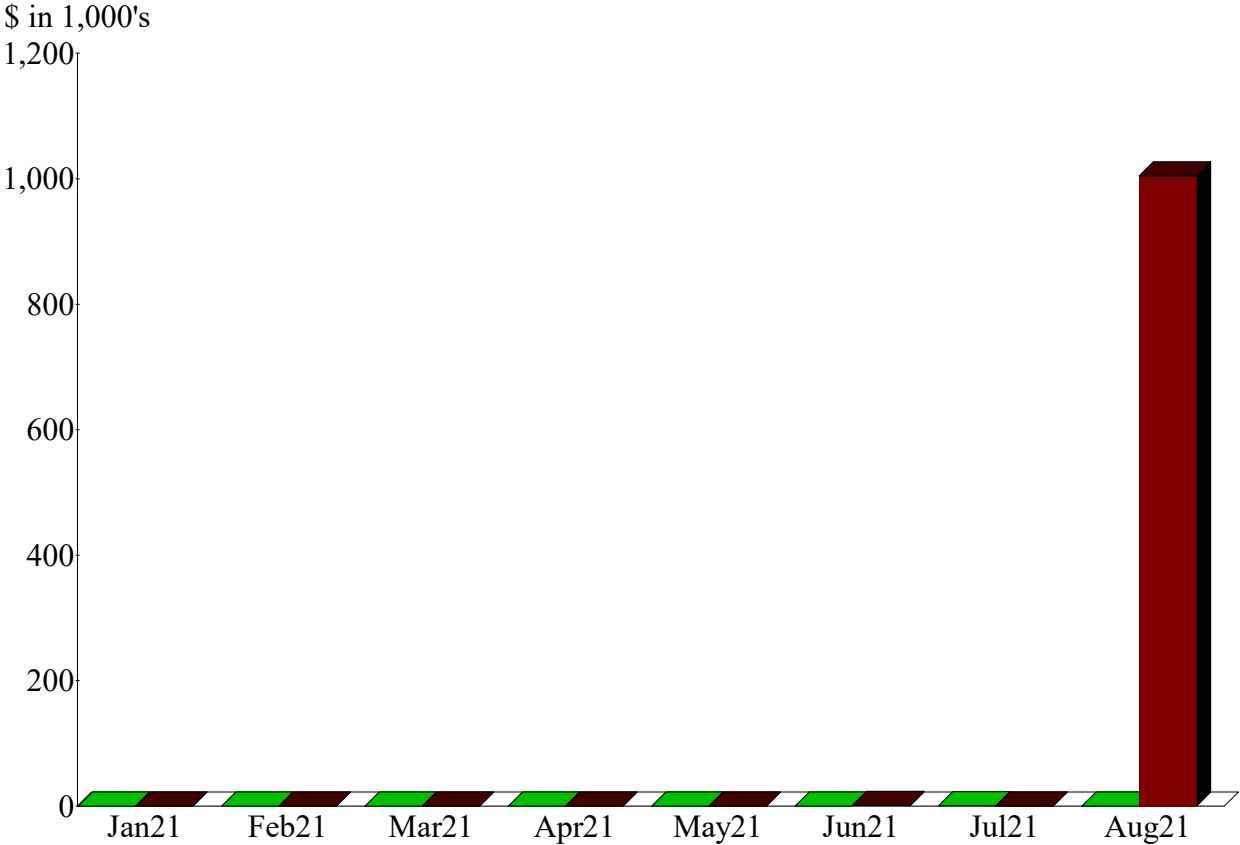
Income Summary January through August 2021

CY Property Tax - Debt	64.65%
CY Property Tax - O&M	21.55
Interest Income - Debt	7.51
Specifice Ownership Tax - Debt	4.72
Specific Ownership Tax - O&M	1.57
Total	\$1,366.13



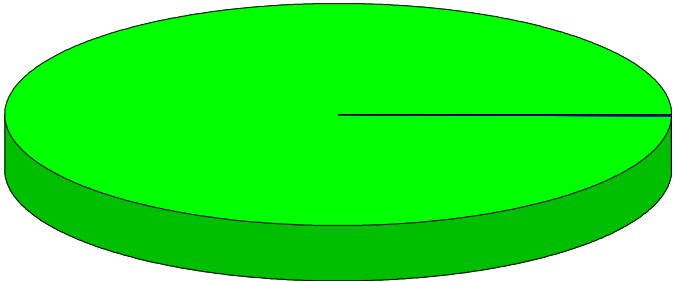
By Account

Income and Expense by Month
January through August 2021



Expense Summary
January through August 2021

Bond Expense	99.85%
Insurance	0.15
Treasurer Collection Fee - Debt	0.01
Treasurer Collection Fee - O&M	0.01
Total	\$1,005,569.16



By Account

Bradley Heights Metropolitan District No. 3

09/09/21

Balance Sheet

Accrual Basis

As of September 9, 2021

	Sep 9, 21
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	33.96
Total Checking/Savings	33.96
Other Current Assets	
Property Tax Receivable	7.60
Total Other Current Assets	7.60
Total Current Assets	41.56
TOTAL ASSETS	41.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	250.00
Total Accounts Payable	250.00
Other Current Liabilities	
Due To District 1	660.00
Deferred Property Tax Revenue	7.60
Total Other Current Liabilities	667.60
Total Current Liabilities	917.60
Total Liabilities	917.60
Equity	
Retained Earnings	14.48
Net Income	-890.52
Total Equity	-876.04
TOTAL LIABILITIES & EQUITY	41.56

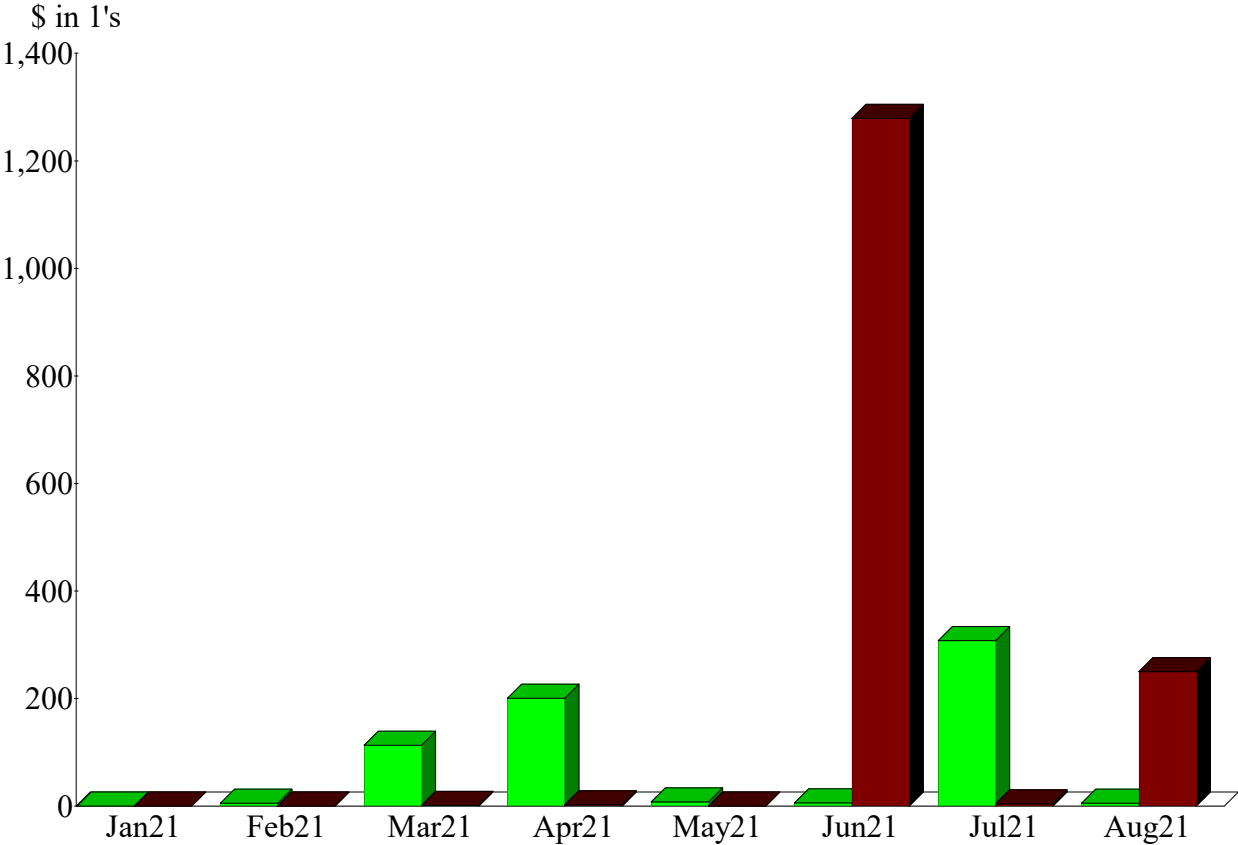
Bradley Heights Metropolitan District No. 3

Profit & Loss Budget vs. Actual

January through August 2021

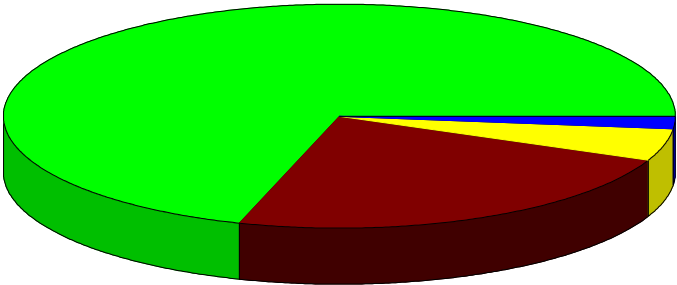
	TOTAL				
	Aug 21	Jan - Aug 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	0.00	151.60	153.40	-1.80	98.83%
Specific Ownership Tax - O&M	1.46	10.29	10.74	-0.45	95.81%
CY Property Tax - Debt	0.00	454.80	460.20	-5.40	98.83%
Specifice Ownership Tax - Debt	4.39	30.89	32.21	-1.32	95.9%
Impact Fees	0.00	0.00	100.00	-100.00	0.0%
Total Income	5.85	647.58	756.55	-108.97	85.6%
Expense					
Insurance	250.00	1,529.00			
Contingency	0.00	0.00	100.00	-100.00	0.0%
Treasurer Collection Fee - O&M	0.00	2.28	2.30	-0.02	99.13%
Treasurer Collection Fee - Debt	0.00	6.82	6.90	-0.08	98.84%
Total Expense	250.00	1,538.10	109.20	1,428.90	1,408.52%
Net Ordinary Income	-244.15	-890.52	647.35	-1,537.87	-137.56%
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	0.00	161.84	-161.84	0.0%
Transfer to Dist 1 - Debt Fund	0.00	0.00	485.51	-485.51	0.0%
Total Other Expense	0.00	0.00	647.35	-647.35	0.0%
Total Other Expense	0.00	0.00	647.35	-647.35	0.0%
Net Other Income	0.00	0.00	-647.35	647.35	0.0%
Net Income	-244.15	-890.52	0.00	-890.52	100.0%

Income and Expense by Month January through August 2021



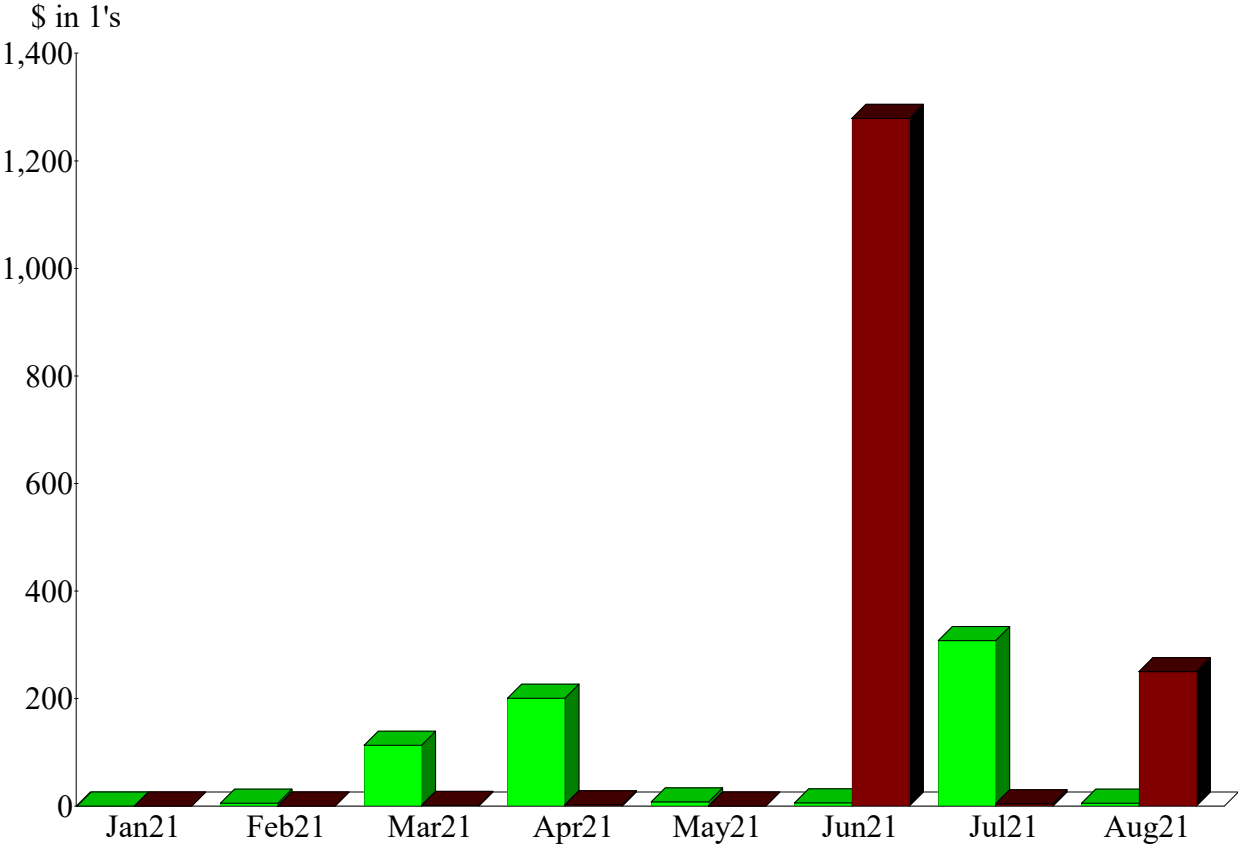
Income Summary January through August 2021

CY Property Tax - Debt	70.23%
CY Property Tax - O&M	23.41
Specifice Ownership Tax - Debt	4.77
Specific Ownership Tax - O&M	1.59
Total	\$647.58



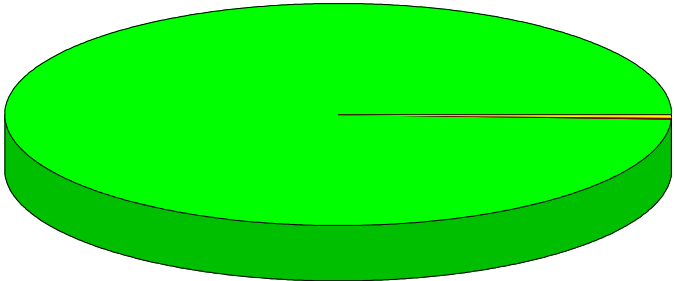
By Account

Income and Expense by Month
January through August 2021



Expense Summary
January through August 2021

Insurance	99.41%
Treasurer Collection Fee - Debt	0.44
Treasurer Collection Fee - O&M	0.15
Total	\$1,538.10



By Account