

BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Regular Board Meeting
Tuesday, April 12, 2022 at 9:00 AM
119 N. Wahsatch Ave.
Colorado Springs, Colorado 80903
and

Via tele/videoconference
<https://meet.goto.com/547622885>
United States: [+1 \(646\) 749-3122](tel:+16467493122)
Access Code: 547-622-885

Board of Director	Title	Term
Randle W Case II	President	May 2023
Bryan T Long	Vice-President	May 2023
Ray O'Sullivan	Treasurer/ Secretary	May 2025
Robert Case	Assistant Secretary	May 2025
VACANT	Assistant Secretary	May 2023

AGENDA

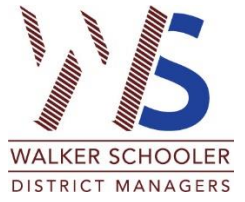
1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Board Vacancy
5. Approval of March 8, 2022, Meeting Minutes (see attached)
6. District Manager Report
7. President of the Board Report
8. Development Status Review
 - a. Engineering Update
 - Schedule
 - b. Plan Updates
 - Roadway/ Utility/ Storm Water
 - c. Redemption Hill Church
 - d. Challenger Homes
 - e. Bradley Ridge
 - f. Widefield School Update
9. Financial Matters
 - a. Discuss Developer Advance Agreements / Reimbursements
 - Operation and Administrative Advance and Reimbursement Agreement with developers including Challenger and ROI
 - Developer Infrastructure Acquisition and Reimbursement Agreement with Challenger and ROI
 - Discuss responsibility for demolition of the 12" water line through the property
 - b. Approve Unaudited Financial Reports for March 31, 2022 (see attached)
 - c. Payables for April 12, 2022 (see attached)
 - d. Discuss drainage, platting and building permit fees collection by the District

- e. Approval/Ratify/Pre-approval contracts
 - Matrix design of Phase 2 Design contract
 - Drainage design- CLOMR/LOMR and other channel revisions
 - Review bids for Phase 1 and 2 RFP and award
- 10. Discuss City/District IGA Regarding Project Fund Surety In Lieu of LOC
- 11. Other Business
 - a. Next Regular Meeting scheduled: May 10, 2022, at 9:00 a.m.
- 12. Adjourn

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 12th day of April at 119 North Wahsatch Ave., Colorado Springs, CO 80903, and via tele/videoconferencing at the following: <https://meet.goto.com/547622885> United States: 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 SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2, AND 3
HELD MARCH 8, 2022
AT 9:00 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, March 8, 2022, at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and at the tele/videoconference platform of GoToMeeting link: <https://meet.goto.com/547622885>.

Attendance

In attendance were Directors:

Randle Case II, President

Bryan Long, Vice President

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

Rebecca Hardekopf, WSDM

Eric Smith, Matrix Design Group, District Engineer (by phone)

Chris Grundy, Project Manager (by phone)

David Neville, Kiemele Family Partnerships (by phone)

Jeff Odor, Matrix Design Group (by phone)

Nate Mast, Redemption Hill Church (by phone)

Tony Gordon, Redemption Hill Church (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 9:05 a.m.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Randle 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: Ms. Hardekopf requested the Board add Review and Approval of the Audit Exemption for Bradley Heights MD No. 1 under Financial Matters. Director Long moved to approve the Agenda as amended; seconded by Director Robert Case. Motion passed unanimously.

4. Board Vacancy and Appointment of Treasurer/ Secretary Position: Mr. Walker explained Mr. Jim Byers expressed an interest in being appointed to the Boards. It was noted that Mr. Byers may become an eligible elector of the Districts after a Notice of Vacancy is published. Appointment is anticipated to occur at the May 10th Board meeting following the Election. Director Long moved to designate Director O'Sullivan as Secretary/Treasurer; seconded by Director Robert Case. Motion passed unanimously. Director Long moved to approve the change of signature cards for Eastern Colorado Bank; seconded by Director Robert Case. Motion passed unanimously.
5. Approval of December 14, 2021 Meeting Minutes, January 11, 2022 Meeting Minutes, and February 15, 2022 Meeting Minutes: After review, Director Robert Case moved to approve the December 14, 2021 Meeting Minutes, January 11, 2022 Meeting Minutes, and February 15, 2022 Meeting Minutes as presented; seconded by Director O'Sullivan. Motion passed unanimously.
6. District Manager Report: Mr. Walker reported he has been preparing for the upcoming Audit as well as participating in the construction meetings and reviewing documents with the construction manager. Mr. Walker has been reviewing District finances and noted the operating account is out of money and the Districts are in need of advances to be able to pay for operation and administrative services. He suggested splitting advances/costs between the two developers and the primary property owner to allow the Districts the ability to pay for these services in 2022 and pay off past due amounts from the shortfall in 2021.
7. President of the Board Report: President Randle Case II noted that updates and discussion will be had later in the Agenda.
8. Development Status Review
 - a. Engineering Update
 - Schedule: Mr. Grundy discussed the updated schedule and noted the second submittal of the master drainage and development plan will go to the City on March 25th. The final submittal of the stormwater plans will be in a week, and phase 1 utility drawings have been submitted. Mr. Grundy discussed the phase 2 design schedule and noted it is on target.
 - Stockpile location, agreements, timing: Mr. Grundy informed the Board that the Contractor RFP has been advertised and the closing date for submissions of proposals is March 28th. The estimated starting dates for phase 1 construction is early May running through late November, and phase 2 starting late May running through with a break in the winter to July 2023. Mr. Grundy discussed the stockpile and noted there are two options of either dumping the excess in a stockpile, and the other is to compact the excess in a specified location.
 - b. Plan Updates
 - Roadway, Utility, Stormwater: Mr. Odor discussed that Challenger expressed concern with the construction schedule and that material ordering is not going to provide them the access they are looking for by their October 1st deadline of delivering lots. A solution that was discussed with Challenger is to provide them with the plans so they can order the materials and potentially complete the construction of utilities if needed and be reimbursed by the District. If the District's contractor is able to meet Challenger's deadline, then the District would purchase the materials back from Challenger. The Board discussed the 24" line and the need to move things forward in a timely manner.
 - c. Redemption Hill Church: Mr. Gordon reported they have submitted drawings to RBD and are receiving comments back. The permits should be ready in the next three weeks with the exception of the DP. They will be bringing dirt in for the grading but could use the excess if it is suitable quality.

- d. Challenger Homes: Mr. Walker reported that Challenger is proceeding according to their October 1st deadline.
- e. Bradley Ridge: Director O'Sullivan reported there was a change in lot sizes to 45' x 90' from 35' x 90'. They will submit for permits in 2 weeks. He noted they will be reshuffling the parks and school site which could create an area for excess dirt.
- f. Widefield School Update: President Randle Case II reported they met with Widefield School representatives and discussed options for school sites sizes and parking issues.

9. Financial Matters

- a. Approval of the Audit Exemption for Bradley Heights MD No. 1: Ms. Hardekopf explained that District No. 1 is eligible for a short-form Audit exemption. Director O'Sullivan moved to approve the Audit Exemption for Bradley Heights MD No. 1; seconded by Director Long. Motion passed unanimously.
- b. Discuss Developer Advance Agreements / Reimbursements: Mr. Walker and Mr. Allen will be working on Developer Advance Agreements and Reimbursement structure for Board review at the next meeting.
- c. Approve Unaudited Financial Reports for February 28, 2022: Director O'Sullivan moved to accept the Unaudited Financial Reports for February 28, 2022 as presented; seconded by Director Robert Case. Motion passed unanimously.
- d. Payables for March 8, 2022: Mr. Walker presented the Payables and noted the payment for insurance and the bond acquisition. After review, Director O'Sullivan moved to approve the Payables including the bond draw; seconded by Director Long. Motion passed unanimously.
- e. Ratify/Pre-approval Contracts, if any: There was no discussion.

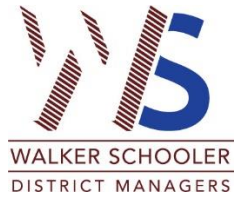
10. Other Business

- a. Ratify approval of ICC Membership: Director O'Sullivan moved to ratify the approval of the ICC Membership; seconded by Director Robert Case. Mr. Walker noted that ICC has pushed back on the membership qualifications, so Mr. Walker is working on that. Motion passed unanimously.
- b. Next Regular Meeting scheduled: April 12, 2022, at 9:00 AM.

11. Adjourn: The Board adjourned the meeting at 10:19 AM.

Respectfully Submitted,

By: Kevin Walker for the Recording Secretary



Balance Sheet

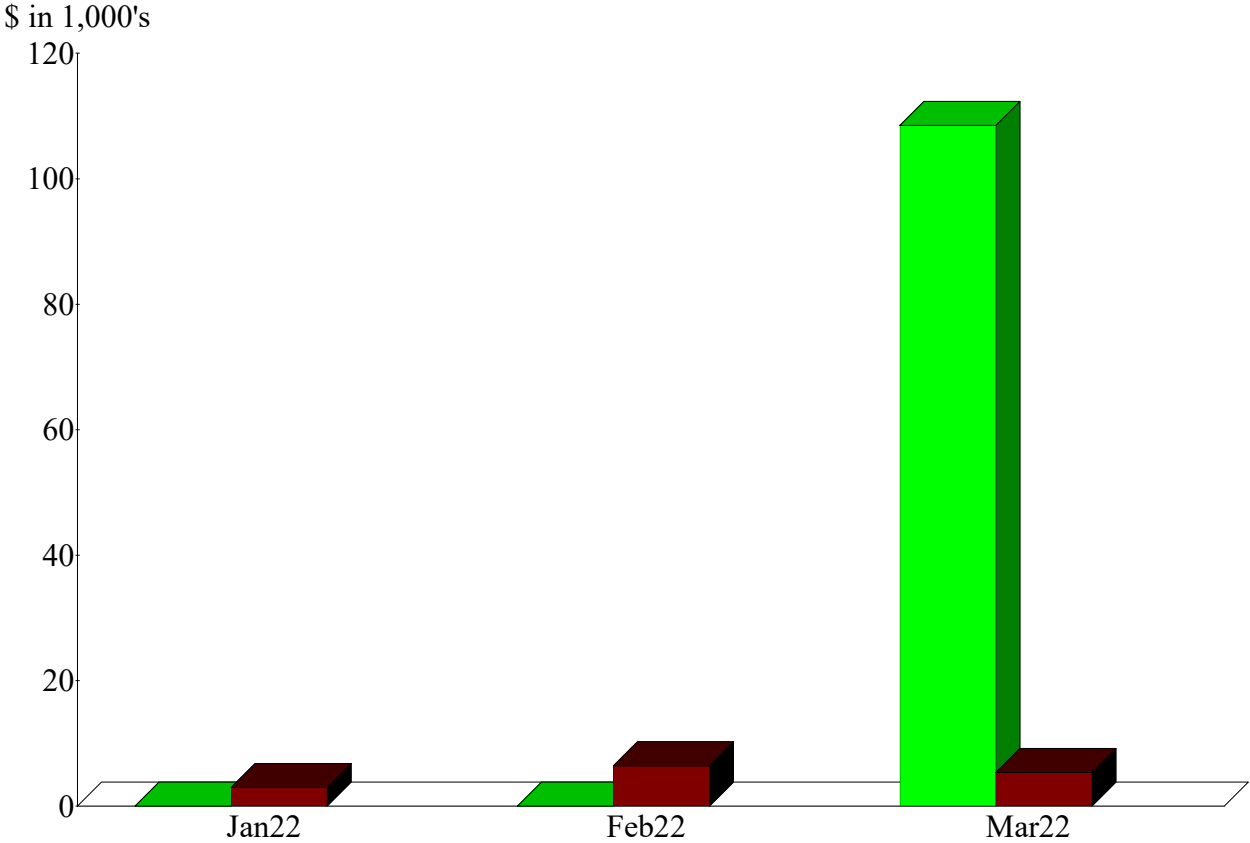
As of March 31, 2022

	<u>Mar 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB - Checking	6,431.64
Total Checking/Savings	6,431.64
Accounts Receivable	
Accounts Receivable	108,500.00
Total Accounts Receivable	108,500.00
Other Current Assets	
Due From District 3	910.00
Due From District 2	1,200.00
Total Other Current Assets	2,110.00
Total Current Assets	117,041.64
TOTAL ASSETS	<u>117,041.64</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	25,065.81
Total Accounts Payable	25,065.81
Total Current Liabilities	25,065.81
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	141,915.81
Equity	
Retained Earnings	-118,544.63
Net Income	93,670.46
Total Equity	-24,874.17
TOTAL LIABILITIES & EQUITY	<u>117,041.64</u>

Bradley Heights Metropolitan District No. 1
Profit & Loss Budget vs. Actual
January through March 2022

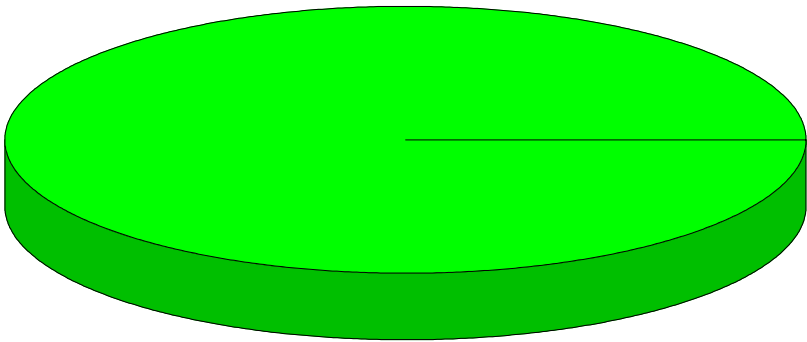
	TOTAL				
	Mar 22	Jan - Mar 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Developer Advance	108,500.00	108,500.00	70,000.00	38,500.00	155.0%
Transfer From District 2-O&M	0.00	0.00	209.10	-209.10	0.0%
Transfer From District 3-O&M	0.00	0.00	319.03	-319.03	0.0%
Total Income	108,500.00	108,500.00	70,528.13	37,971.87	153.84%
Expense					
Audit	0.00	0.00	8,500.00	-8,500.00	0.0%
Bank Service Charge	0.00	0.00	100.00	-100.00	0.0%
Contingency	0.00	0.00	5,000.00	-5,000.00	0.0%
Copies & Postage	99.05	101.80	1,000.00	-898.20	10.18%
District Management	3,000.00	9,000.00	36,000.00	-27,000.00	25.0%
Dues & Subscriptions (SDA) - D1	0.00	1,237.50	500.00	737.50	247.5%
Dues & Subscriptions (SDA) - D2	0.00	225.71	500.00	-274.29	45.14%
Dues & Subscriptions (SDA) - D3	0.00	225.01	500.00	-274.99	45.0%
Elections	141.96	1,282.27			
Insurance - D1	0.00	0.00	1,600.00	-1,600.00	0.0%
Insurance - D2	0.00	0.00	3,000.00	-3,000.00	0.0%
Insurance - D3	0.00	0.00	1,600.00	-1,600.00	0.0%
Legal	2,152.50	2,757.25	10,000.00	-7,242.75	27.57%
Total Expense	5,393.51	14,829.54	68,300.00	-53,470.46	21.71%
Net Income	103,106.49	93,670.46	2,228.13	91,442.33	4,203.99%

Income and Expense by Month
January through March 2022



Income Summary
January through March 2022

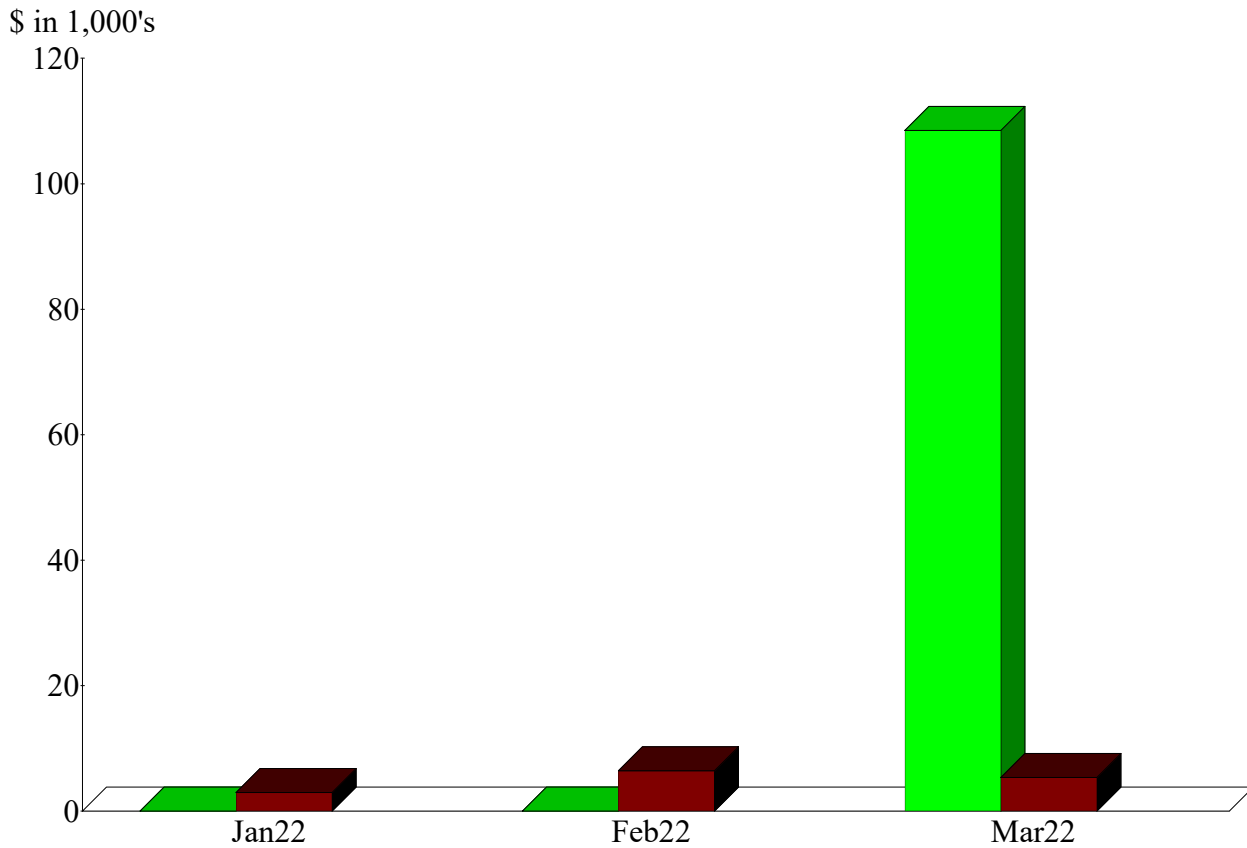
Developer Advance	100.00%
Total	\$108,500.00



By Account

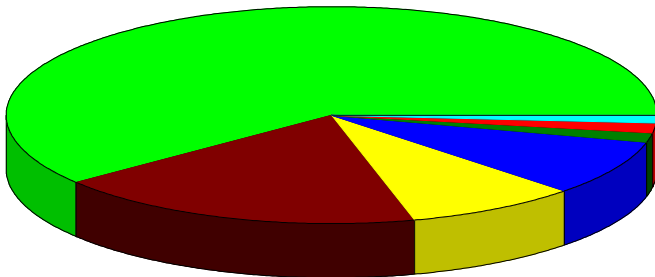
Income and Expense by Month January through March 2022

Income
Expense



Expense Summary January through March 2022

District Management	60.69%
Legal	18.59
Elections	8.65
Dues & Subscriptions (SDA) - D1	8.34
Dues & Subscriptions (SDA) - D2	1.52
Dues & Subscriptions (SDA) - D3	1.52
Copies & Postage	0.69
Total	\$14,829.54



By Account

Bradley Heights Metropolitan District No. 2

04/06/22

Balance Sheet

Accrual Basis

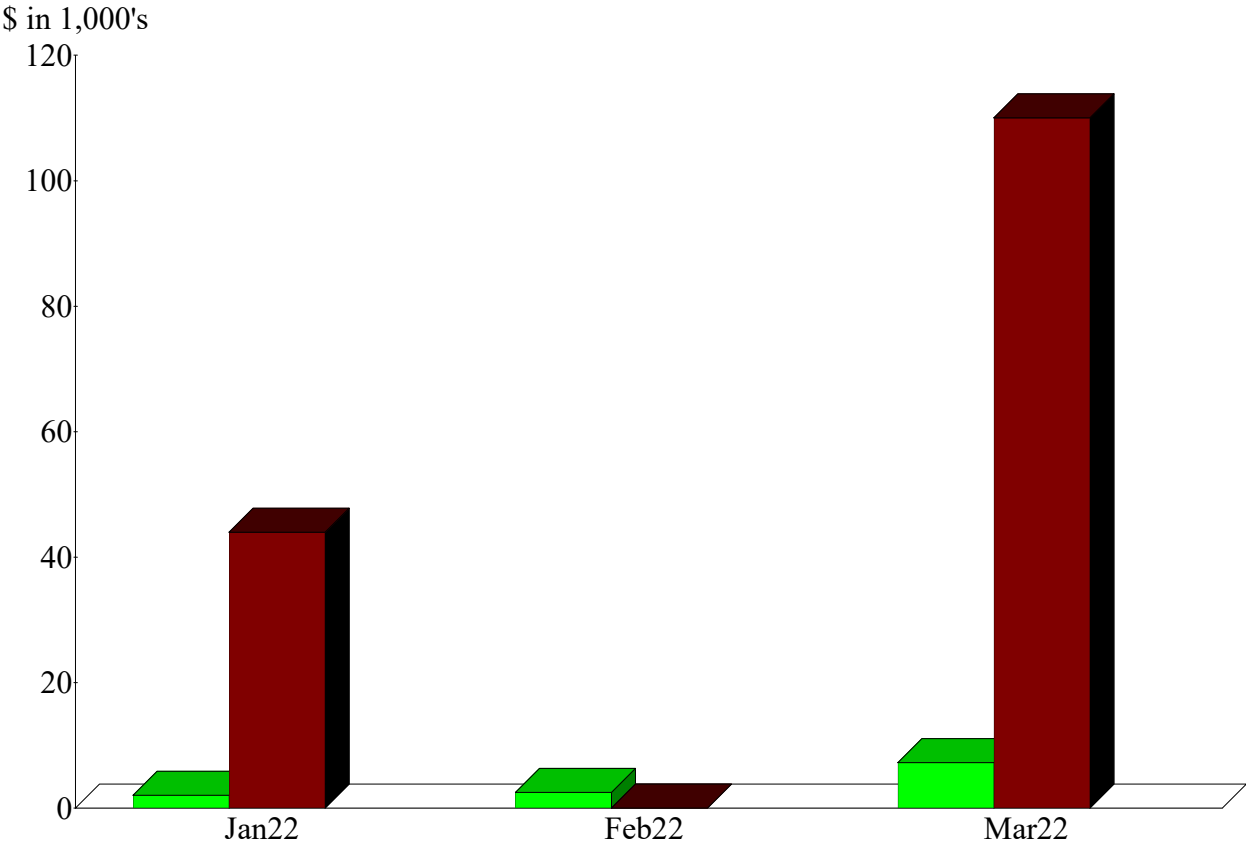
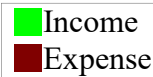
As of March 31, 2022

	Mar 31, 22
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	412.52
UMB - Project Fund 156470.2	33,670,661.07
Total Checking/Savings	33,671,073.59
Other Current Assets	
Property Tax Receivable	478.60
Total Other Current Assets	478.60
Total Current Assets	33,671,552.19
TOTAL ASSETS	33,671,552.19
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to District 1	1,200.00
Deferred Property Tax Revenue	478.60
Total Other Current Liabilities	1,678.60
Total Current Liabilities	1,678.60
Long Term Liabilities	
Series 2021A Bonds	35,000,000.00
Total Long Term Liabilities	35,000,000.00
Total Liabilities	35,001,678.60
Equity	
Retained Earnings	-1,187,928.41
Net Income	-142,198.00
Total Equity	-1,330,126.41
TOTAL LIABILITIES & EQUITY	33,671,552.19

Bradley Heights Metropolitan District No. 2
Profit & Loss Budget vs. Actual
January through March 2022

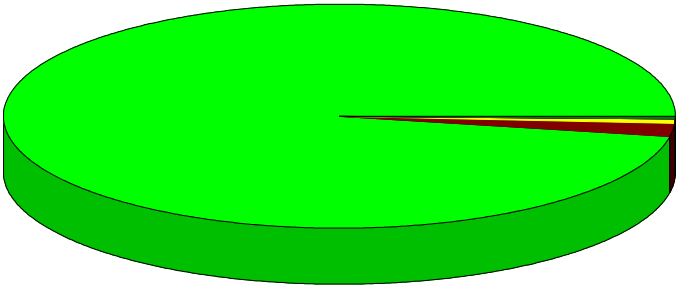
	TOTAL				
	Mar 22	Jan - Mar 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	78.55	78.55	198.20	-119.65	39.63%
Specific Ownership Tax - O&M	1.55	3.16	13.87	-10.71	22.78%
CY Property Tax - Debt	235.65	235.65	594.60	-358.95	39.63%
Specifice Ownership Tax - Debt	4.66	9.49	41.62	-32.13	22.8%
Total Income	320.41	326.85	848.29	-521.44	38.53%
Expense					
Capital Outlay					
Engineering/Planning	94,059.52	130,059.52			
Project Management	15,990.00	23,985.00			
Total Capital Outlay	110,049.52	154,044.52			
Treasurer Collection Fee - O&M	1.18	1.18	2.97	-1.79	39.73%
Treasurer Collection Fee - Debt	3.53	3.53	8.92	-5.39	39.57%
Total Expense	110,054.23	154,049.23	11.89	154,037.34	1,295,620.1%
Net Ordinary Income	-109,733.82	-153,722.38	836.40	-154,558.78	-18,379.05%
Other Income/Expense					
Other Income					
Interest Income - Debt	6,932.19	11,524.38			
Total Other Income	6,932.19	11,524.38			
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	0.00	209.10	-209.10	0.0%
Total Other Expense	0.00	0.00	209.10	-209.10	0.0%
Total Other Expense	0.00	0.00	209.10	-209.10	0.0%
Net Other Income	6,932.19	11,524.38	-209.10	11,733.48	-5,511.42%
Net Income	-102,801.63	-142,198.00	627.30	-142,825.30	-22,668.26%

Income and Expense by Month January through March 2022



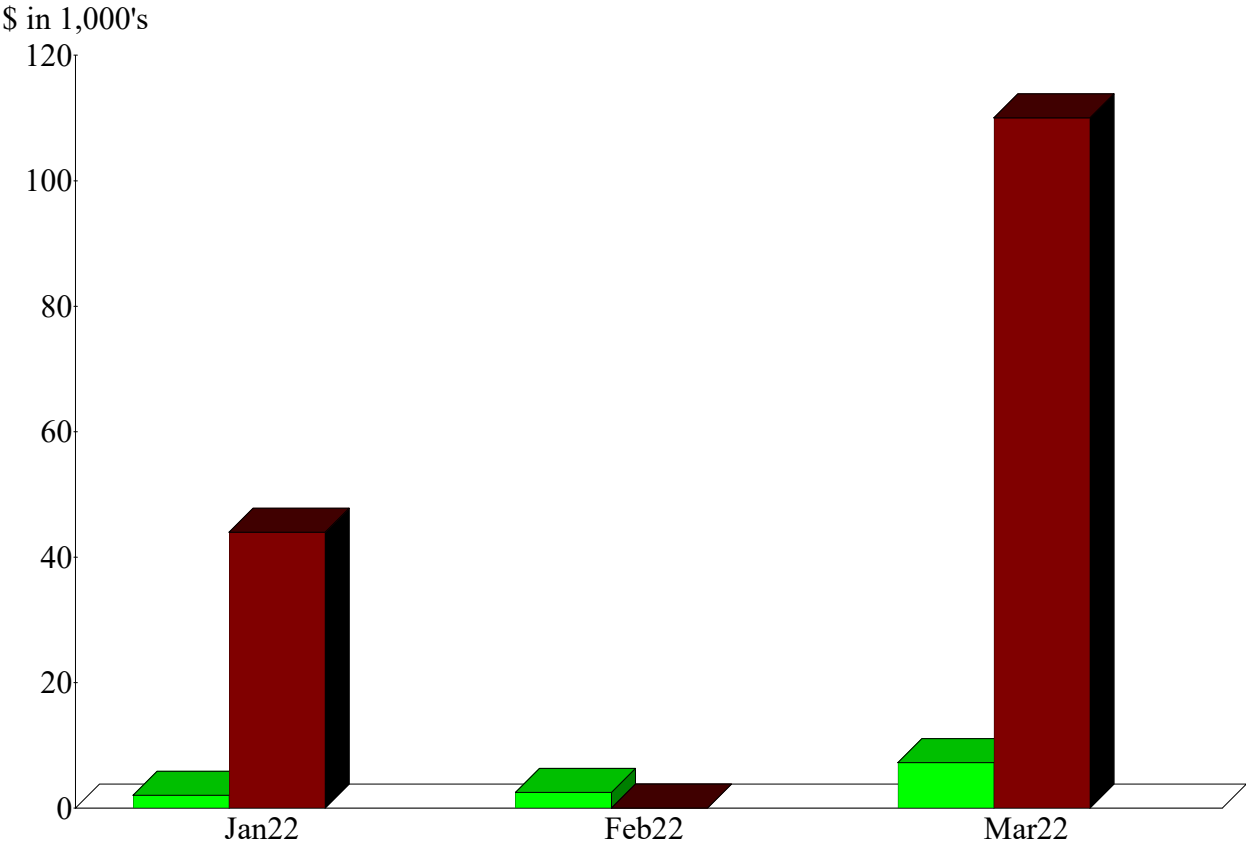
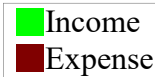
Income Summary January through March 2022

Interest Income - Debt	97.24%
CY Property Tax - Debt	1.99
CY Property Tax - O&M	0.66
Specifice Ownership Tax - Debt	0.08
Specific Ownership Tax - O&M	0.03
Total	\$11,851.23



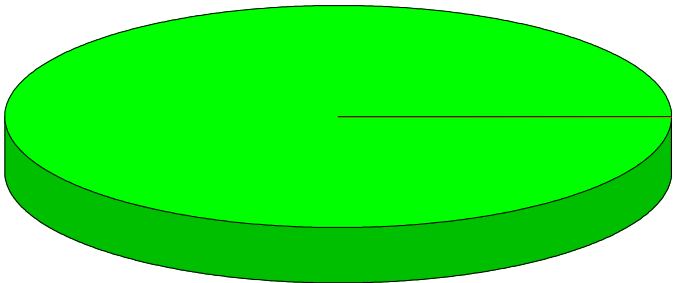
By Account

Income and Expense by Month
January through March 2022



Expense Summary
January through March 2022

Capital Outlay	100.00%
Treasurer Collection Fee - Debt	0.01
Treasurer Collection Fee - O&M	0.01
Total	\$154,049.23



By Account

Balance Sheet

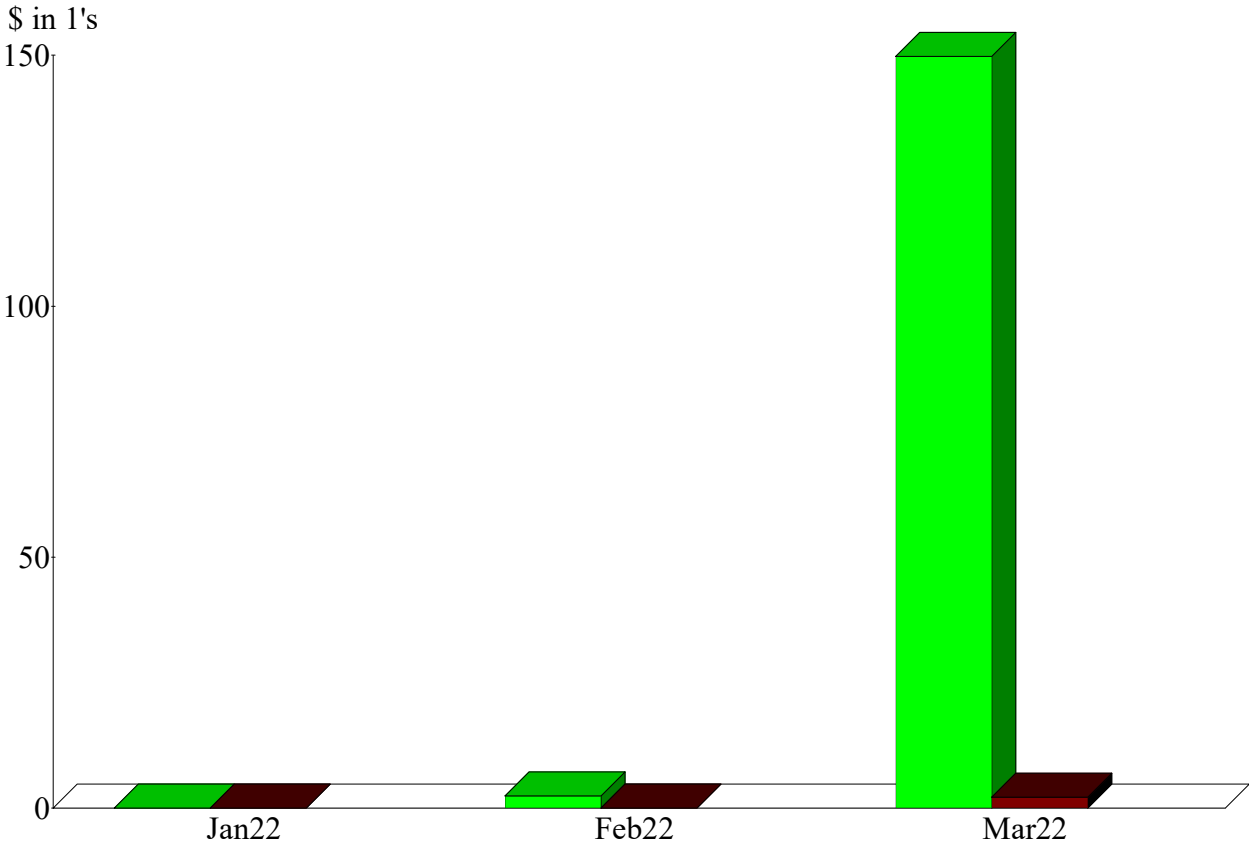
As of March 31, 2022

	Mar 31, 22
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	222.55
Total Checking/Savings	222.55
Other Current Assets	
Property Tax Receivable	155.00
Total Other Current Assets	155.00
Total Current Assets	377.55
TOTAL ASSETS	377.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due To District 1	910.00
Deferred Property Tax Revenue	155.00
Total Other Current Liabilities	1,065.00
Total Current Liabilities	1,065.00
Total Liabilities	1,065.00
Equity	
Retained Earnings	-837.47
Net Income	150.02
Total Equity	-687.45
TOTAL LIABILITIES & EQUITY	377.55

Bradley Heights Metropolitan District No. 3
Profit & Loss Budget vs. Actual
January through March 2022

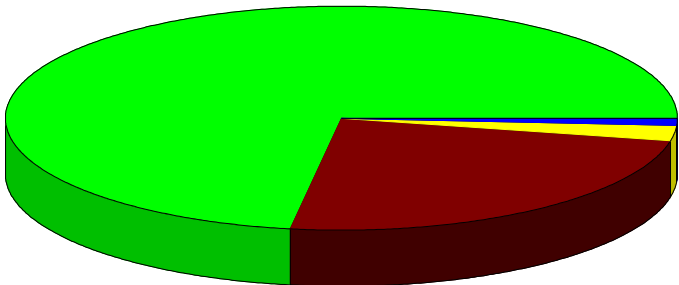
	TOTAL				
	<u>Mar 22</u>	<u>Jan - Mar 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	36.85	36.85	75.60	-38.75	48.74%
Specific Ownership Tax - O&M	0.59	1.21	5.29	-4.08	22.87%
CY Property Tax - Debt	110.55	110.55	226.80	-116.25	48.74%
Specifice Ownership Tax - Debt	1.78	3.62	15.88	-12.26	22.8%
Total Income	149.77	152.23	323.57	-171.34	47.05%
Expense					
Treasurer Collection Fee - O&M	0.55	0.55	1.13	-0.58	48.67%
Treasurer Collection Fee - Debt	1.66	1.66	3.40	-1.74	48.82%
Total Expense	2.21	2.21	4.53	-2.32	48.79%
Net Ordinary Income	147.56	150.02	319.04	-169.02	47.02%
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	0.00	319.04	-319.04	0.0%
Total Other Expense	0.00	0.00	319.04	-319.04	0.0%
Total Other Expense	0.00	0.00	319.04	-319.04	0.0%
Net Other Income	0.00	0.00	-319.04	319.04	0.0%
Net Income	147.56	150.02	0.00	150.02	100.0%

Income and Expense by Month January through March 2022



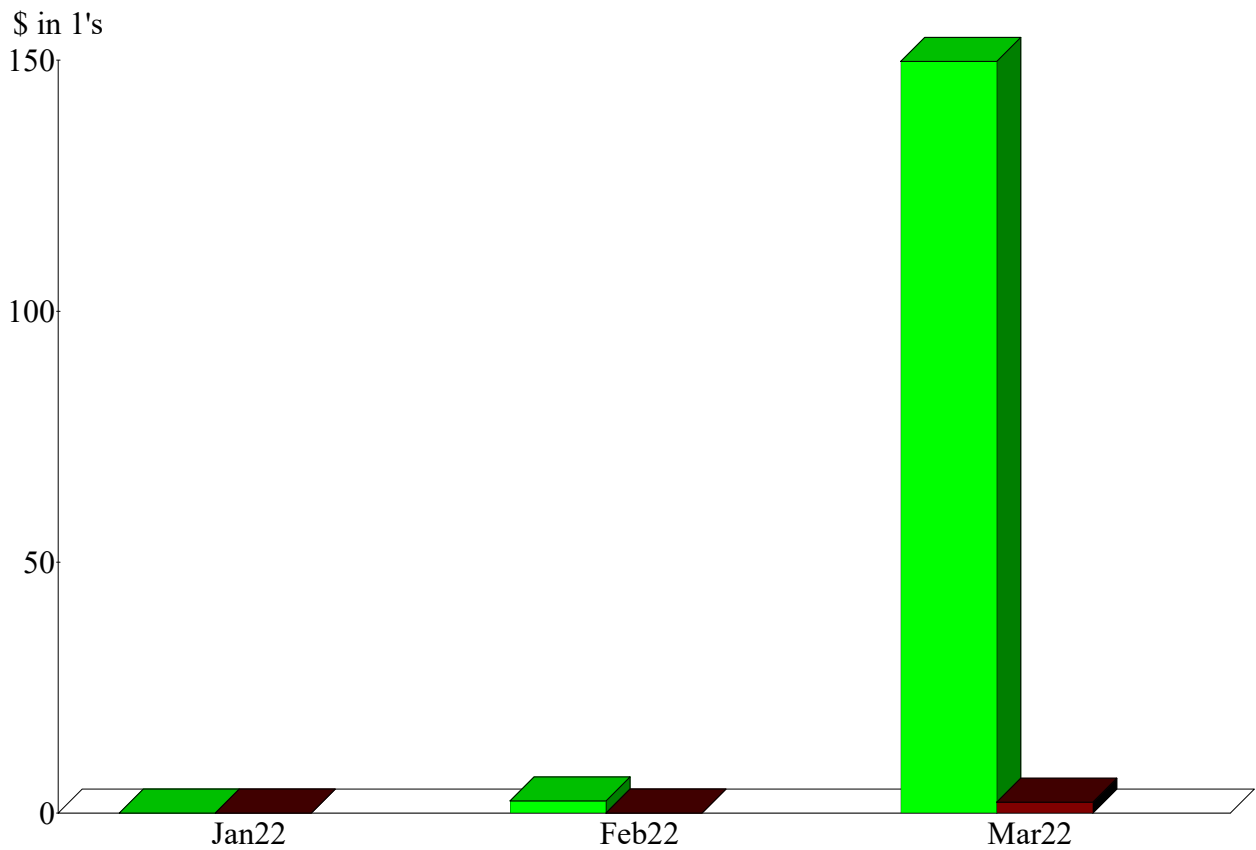
Income Summary January through March 2022

CY Property Tax - Debt	72.62%
CY Property Tax - O&M	24.21
Specifice Ownership Tax - Debt	2.38
Specific Ownership Tax - O&M	0.79
Total	\$152.23



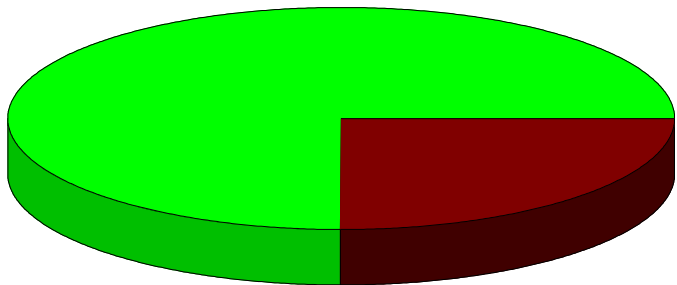
By Account

Income and Expense by Month
January through March 2022

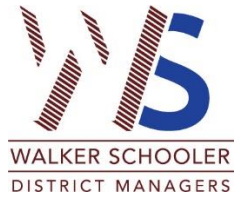


Expense Summary
January through March 2022

Treasurer Collection Fee - Debt	75.11%
Treasurer Collection Fee - O&M	24.89
Total	\$2.21



By Account



Bradley Heights Metropolitan District
PAYMENT REQUEST

4/5/2022

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Walker Schooler District Managers	7029	3/31/2022	\$ 3,099.05	
White Bear Anekele	20613	2/28/2022	\$ 1,745.06	
White Bear Anekele	21123	3/31/2022	\$ 2,294.46	
TOTAL			\$ 4,844.11	

\$4,844.11

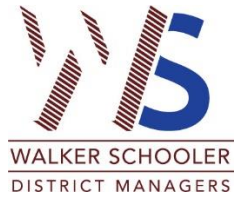
Bradley Heights Metropolitan District

Bradley Heights Metropolitan District
PAYMENT REQUEST
4/12/2022

BOND FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Grundy Construction Management & Consulting	BHM-005	3/31/2022	\$ 7,995.00	
Matrix Design Group	35119	11/10/2021	\$ 21,930.15	
Matrix Design Group	36066	4/4/2022	\$ 235.00	
Matrix Design Group	36067	4/4/2022	\$ 111,442.50	
TOTAL			\$ 141,602.65	

Bradley Heights Metropolitan District



Contract Change Order #001: Contract Adjustment and Additional Services

Client Name:

Bradley Heights Metropolitan District
ATTN: Randy Case, President

Address:

119 N. Wahsatch Avenue
Colorado Springs, CO 80903

Project Name: Bradley Heights imp AND Phase 1
Engineering/Construction Drawings

Project No: 21.1213.004

Project Location: Colorado Springs, Colorado

Scope of Services: Matrix will complete the work as outlined in the attached scope of work provided below.

Item 1: DBPS and MDDP amendments, Phase 1 FDR (Modification to existing Task 2: Master Development Drainage Plan Amendment & Final Drainage Report)

Drainage Basin Planning Study Amendment (DBPS)

- Review and analyze the current DBPS flows
- Develop HEC-HMS hydrology model to evaluate basin flows
- Establish updated basin (design) flows for the channel design using current City design criteria (fully developed future conditions) and current zoning.
- Evaluate drainage impacts of the existing Colorado Centre detention pond for downstream channel improvements.

Master Development Drainage Report Amendment & Drainage Basin Planning Study Amendment

- Update MDDP to reflect DBPS design flow revisions
- Update MDDP to reflect final channel improvement design
- Update DBPS to reflect estimated channel improvement costs

Phase 1 Final Drainage Report (FDR)

The original contract included the FDR as a combined document with the MDDP amendment. In the interest in timing, and since the original MDDP amendment was being delayed with the channel improvements, it was agreed that the Phase 1 FDR should be completed independently. The Phase 1 FDR and Phase 1 storm plans are interrelated as the storm plans are dependent on the FDR approval. A delay on the FDR, if continued as a combined document, would have resulted in a delay of the Phase 1 storm plan approval potentially affecting the schedule of Challenger Homes development. The additional fee covers the cost to prepare two separate documents, which includes separate reviews.

Excellence by Design

Item 2: Channel Design & permitting revisions (Modification to existing Task 4: Marksheffel Tributary – Permitting, Engineering & Construction Documents)**Channel Design Alternatives**

- Complete a preliminary hydraulic analysis for design alternatives (based on DBPS revised flows included in Item 1 above)
- Provide 2 channel design alternative (in addition to the alternative included with the MDDP). Alternatives will incorporate factors to include, but not limited to, earthwork quantities, channel slope, design flows for drop structures, height of drop structures, and number of drop structures.
- Provide a cost opinion and comparison between the provided design alternatives.
- Provide recommendation to select design alternative based on this evaluation

Extended Channel Design

- Per discussion and coordination with the City, the City is requiring the channel improvements to:
 - Extend the channel improvement design approximately 750 LF upstream to the south side of Bradley Road
 - Extend the channel improvement design approximately 425 LF downstream from the existing detention pond to the existing box culvert crossing under Marksheffel Rd. Improvements to sizing or capacity or the box culvert are not anticipated and are excluded from this task.

Floodplain Mapping

- Conditional Letter of Map Revision (CLOMR)
 - Coordination with PPRBD Floodplain Administrator and the Colorado Water Conservation Board
 - Floodplain delineation based on selected channel design (alignment and cross section)
 - Processing the design through FEMA to obtain approved CLOMR document
- Letter of Map Revision (LOMR)
 - Develop as-constructed documents based on survey data.
 - Develop as-constructed floodplain delineation documents required by FEMA
 - Coordination and processing of LOMR through the jurisdictional regulatory agencies.
- Specific exclusions related to the CLOMR and LOMR:
 - Construction administration during the construction of the channel improvements
 - As-constructed surveying of the channel improvements
 - Permitting, review, and other outside agency fees

Coordinate System coordination & translation

- The coordinate system being used by the developers and the district is different than that used by FEMA. As a CLOMR & LOMR is required, coordinate system translation is required for these processes. This task covers the efforts related to the coordinate translation as necessary.

Item 3: Masterplan and planning documents (Modification to existing Task 1: Utility Infrastructure Master Plan)

Updates to Utility Masterplan and Phasing plans

Includes additional fees associated with ongoing updates to utility master plans to include ongoing revisions related to the developer coordination. This includes the phasing plans related to grading, roadways, and utilities.

Updates to Planning Documents

Includes additional fees associated with ongoing updates to planning documents (zoning and/or ownership) to maintain accuracy as developments progress and ownership changes. This includes revisions related to the ongoing discussions with Widefield School district regarding the potential school and park locations.

Development of exhibits related to Colorado Springs Utilities Individual Plan

Includes additional fees associated with the development of exhibits related to the Individual Plan agreement with CSU. The Individual plan outlines the required steps, anticipated timing, responsible parties related to the transition between disconnecting from CCMD water service and connecting to the proposed service from the CSU 24" waterline.

Item 4: Drainage Basin Fees Credits & Drainage Board Application

Drainage Basin Fee credits

If an application for drainage basin fee credits is submitted to the Drainage Board, Matrix will provide support for the application as necessary.

Drainage Board Application

At the District discretion, Matrix will work with the district to prepare an application to the Drainage Board for fee credits and/or reimbursed construction costs based on realized post construction costs.

CHANGE ORDER LINE ITEMS: CO #001

#	Description	Type	Amount
1	DBPS and MDDP amendments, Phase 1 FDR	Lump Sum	\$ 26,000.00
2	Channel Design & permitting revisions	Lump Sum	\$ 97,500.00
3	Masterplan and planning documents	Lump Sum	\$ 9,500.00
4	Drainage Basin Fees Credits & Drainage Board Application	Time & Materials	

The original (Contract Sum)	\$477,500 L.S.
Net change by previously authorized Change Orders	\$0 L.S.
The contract sum prior to this Change Order was	\$477,500 L.S.
The contract sum will be increased by this Change Order by	\$133,000 L.S.
The New contract sum including this Change Order will be	\$610,500 L.S.

Total contracted fees do not include time and materials tasks. The costs associated with T&M work is in addition to the lump sum fees.

The following additional attachments are made a part of this Agreement:

Original Contract signed September 14, 2021 (by reference), 2022 Matrix Standard Hourly Rates & General Conditions.

IN WITNESS WHEREOF, Matrix Design Group, Inc. and Client have made and executed this Agreement.

MATRIX DESIGN GROUP, INC.

BRADLEY HEIGHTS METROPOLITAN DISTRICT

By: Eric Smith, PE
Its: Vice-President
Date: April 7, 2022

By: _____
Its: _____
Date: _____



STANDARD HOURLY RATES
2022

CLASSIFICATION	HOURLY RATE
Principal	\$325.00
Executive Vice President	\$250.00
Senior Vice President	\$235.00
Vice President	\$220.00
Senior Executive Associate	\$205.00
Executive Associate	\$195.00
Senior Associate	\$180.00
Associate	\$160.00
Senior Consultant	\$145.00
Consultant III	\$130.00
Consultant II	\$120.00
Consultant I	\$105.00
Professional III	\$115.00
Professional II	\$100.00
Professional I	\$90.00
Staff V	\$115.00
Staff IV	\$95.00
Staff III	\$85.00
Staff II	\$75.00
Staff I	\$55.00
1-Person Survey Crew	\$135.00
2-Person Survey Crew	\$190.00
3-Person Survey Crew	\$285.00

If applicable, mileage will be charged at the Federal government allowable rate.
All other direct expenses attributable to the Project will be charged to Client at cost.
Standard Hourly Rates are subject to adjustment annually.

Exhibit 1
MATRIX DESIGN GROUP, INC.
GENERAL CONDITIONS

Matrix's Agreement with Client is comprised of these General Conditions and the accompanying written proposal or authorization for services (hereinafter referred to as "Agreement"):

SECTION 1: MATRIX RESPONSIBILITIES

1.1 Matrix agrees to perform services in accordance with the attached proposal, or as otherwise stated herein if no proposal was submitted. Modifications to the proposal or scope of services must be provided and mutually agreed to in writing between Matrix and Client prior to rendering of services by Matrix. In performing services, Matrix will use that degree of care and skill ordinarily exercised under similar circumstances by civil engineers practicing in the same locality wherein the project is located.

1.2 Matrix will perform the services as an independent contractor, and shall not be deemed, by virtue of this Agreement, to have entered into any partnership, joint venture or other relationship with the Client.

1.3 TO THE MAXIMUM EXTENT PROVIDED BY LAW, NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AT COMMON LAW OR CREATED BY STATUTE, IS EXTENDED, MADE OR INTENDED BY THE PROVISION OF PROFESSIONAL SERVICES AND ADVICE OR BY THE FURNISHING OF THE PROFESSIONAL WORK PRODUCTS PURSUANT TO THIS AGREEMENT.

1.4 Matrix's duties do not include supervising the project's contractors or commenting on, overseeing, or providing the means and methods of their work, including job site safety. Matrix will not be responsible for the failure of the project's contractors or other consultants to perform in accordance with their undertakings, and the providing of services by Matrix shall not relieve others of their responsibility to Client or to others.

1.5 If required as part of the services, Matrix may assist Client in applying for and obtaining permits and approvals from governmental entities with jurisdiction over the project. However, Matrix will not be responsible for any failure to issue or delay caused by any conditions imposed by such governmental units.

1.6 If Matrix's performance is delayed due to factors beyond its reasonable control, or if project conditions or the scope of work change, Matrix will give timely notice of the change pursuant to change order and receive compensation for any additional work.

1.7 If this Agreement requires Matrix to perform services during construction, Matrix neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the contract between Owner and such Contractor.

SECTION 2: CLIENT'S RESPONSIBILITIES

2.1 Client shall designate a person to act as the Client's representative with respect to the services Matrix is to provide at the project. The Client's designee shall have complete authority to transmit instructions, receive information, interpret and define the Client's policies and decisions with respect to the services.

2.2 Any questions, requests for clarification or directions from the Client to Matrix shall be in writing, pursuant to a Request for Information or otherwise, and Matrix is under no obligation to follow oral direction provided on site.

2.3 Client is solely responsible for coordinating amongst design professionals. Client agrees to provide Matrix with all known information, conditions, standards, criteria and objectives which affect its services. This includes, but is not limited to, all plans or reports from other design professionals that may impact or affect Matrix's work. Matrix will be entitled to rely on the accuracy of the information provided. Client hereby agrees that if Client fails to provide Matrix with any of the information required in this paragraph, Client will assume all risks associated with that failure. Matrix will not be responsible for any omissions or acts which were caused in whole or in part by the failure of Client to provide the required information to Matrix.

2.4 Client agrees that Matrix will not be liable for any changes in conditions to the project caused by others after Matrix's work is completed on the project.

SECTION 3: DOCUMENTS AND REPORTS

3.1 Documents, plans, diagrams, sketches, surveys, computer files, working drawings and any other materials created or prepared by Matrix as part of its performance of this Agreement (the "Work Products") are solely for use for this project, and Matrix shall retain ownership rights including copyrights. The Client may retain copies and may use such Work Products in connection with Client's work on this project. However, Client agrees not to alter the Work Products and not to use the Work Products for any purpose or project other than that intended by this Agreement. Matrix accepts no responsibility and reserves all rights for Client's use of the Work Products for any purpose or project other than the project specified in the attached Proposal.

3.2 Client agrees that Matrix will rely on the type of building(s) specified in the plans. If the Client re-configures, remodels or converts the building(s) in the project for some other use after Matrix has completed its work, the Client agrees that Matrix's initial design work will no longer apply and Matrix cannot be held liable for any civil engineering issues caused by such changes.

3.3 If Client later converts this Project for any use other than what was specifically agreed to in the accompanying proposal (e.g., converts the project from apartment buildings to condos or from commercial to residential use), Client hereby releases Matrix from any

liability caused, relating to or arising from, the changed use of the Project and assumes all risk relating to such changed use.

3.4 If Client does not make payment in full as provided in this Agreement, Client agrees to deliver all Work Products previously transmitted to Client upon demand by Matrix, and not to use such Work Products for any purpose whatsoever until payment in full has been received.

3.5 Project records and Work Products will be retained by Matrix for a period of five years following completion of the services.

SECTION 4: COMPENSATION

4.1 Matrix's pricing of this work is predicated upon Client's acceptance of the conditions and allocations of risks and responsibilities described in this Agreement. If there is no other Agreement as to rates and fees, Client agrees to pay Matrix's current Standard Hourly Billing Rates for any work done on Client's behalf pursuant to this Agreement. An estimate or statement of probable cost is not a firm figure unless stated as such.

4.2 In addition to the hourly rates paid for services, Client shall pay Matrix's reimbursable expenses directly attributable to the project. Reimbursable expenses shall include but not be limited to: sub consultant fees, expense of transportation, parking, meals, postage, including special delivery fees, zoning application fees, inspection fees, permit fees, and charges for blueprints and reproduction.

4.3 Matrix will submit invoices to Client monthly. Client will pay the balance stated in the invoice within thirty (30) days unless Client informs Matrix in writing of objections to the invoice within that thirty-day period. Any retainer paid by the Client hereunder shall be credited to Matrix's last invoice for Services rendered.

4.4 Any invoiced amounts outstanding after thirty days will bear interest at the rate of 1.5% per month (18% per annum), or the maximum permissible by applicable law, whichever is less from the thirtieth day following the date of the invoice, until paid.

4.5 Additional Services

A. If authorized by Client in writing, Matrix shall furnish services in addition to those set forth above.

B. Client shall pay Matrix for such additional services as follows:

1. A pre-determined lump sum basis payment as agreed to in writing by both Matrix and Client.

2. On an hourly time and expenses basis for additional services of Matrix's employees engaged directly on the Project in an amount equal to the cumulative hours charged to the Project by each class of Matrix's employees times standard hourly rates for each applicable billing class, plus

reimbursable expenses and Matrix's consultants' charges, if any.

4.6 Matrix shall be entitled to recover all attorney's fees, dispute resolution fees, court costs and other expenses incurred in the collection or attempted collection of any amounts due under this Agreement.

4.7 At Matrix's option, Matrix may temporarily cease to perform the services or elect to terminate this Agreement if invoiced amounts are unpaid sixty days after the date of any invoice. In no event shall Matrix be liable for any damage or expense resulting from such termination or work stoppage.

4.8 Client's obligation to pay for the services shall not be reduced or in any way impaired by Client's inability to obtain financing, governmental approval of the project, or for any other cause. No deduction shall be made from any invoice because of penalty set-off or liquidated damages.

SECTION 5: RISK, DISPUTES AND DAMAGES

5.1 The parties agree that all disputes between them will be submitted to a mutually agreeable neutral mediator, as a condition precedent to litigation or other remedies provided by law. The fee and costs of the mediator shall be apportioned equally between the parties.

5.2 Following mediation, all disputes between Client and Matrix for \$500,000 or less shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association effective at the Effective Date of the Agreement.

5.3 Following mediation, all disputes between Client and Matrix greater than \$500,000, shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association effective at the Effective Date of the Agreement and before an arbitration panel of three mutually agreeable arbiters, at least one of whom will be a licensed, practicing civil engineer in the state where the project is located.

5.4 NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES RESULTING FROM DELAY, LOSS OF USE, LOSS OF PROFITS OR REVENUE, OR COST OF CAPITAL.

5.5 Client agrees to notify Matrix of any claimed negligent act, error or omission within thirty days of the date of its discovery and to provide Matrix with the opportunity to investigate and to recommend ways of mitigating damages as a condition precedent to litigation or other remedies provided by law.

5.6 Client and Matrix agree that the statute of repose under Colorado law will begin to run upon the completion of Matrix's work as evidenced by the date of the last invoice, and not when the project is completed as a whole. Client and Matrix further contractually agree to revise the repose period set forth under CDARA, and instead agree that any claims against Matrix must be brought within five years

after Matrix's last invoice on the project, even if alleged defects arise at a later time.

5.7 Many risks affect Matrix by virtue of entering into this Agreement to provide professional services. For Client to obtain the benefit of a fee which includes a reasonable allowance for Matrix's risk, Client agrees that Matrix's aggregate liability will not exceed the fee paid for our services or \$50,000, whichever is greater, for Matrix's alleged negligent acts, errors or omissions.

5.8 To the maximum extent permitted by law, Client agrees to defend, indemnify and hold Matrix harmless from and against all claims, damages, losses, and expenses, including but not limited to, attorneys' fees, arising out of or related to any negligent act or omission of Client, its contractors, subcontractors, other consultants or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is also caused in part by Matrix. It is understood, however, that the Client will not defend, indemnify or hold Matrix harmless for Matrix's sole negligence in performing services for the project.

SECTION 6: SUCCESSORS, ASSIGNS AND BENEFICIARIES

6.1 Client and Matrix each is hereby bound and the partners, successors, executors, administrators and legal representatives of Client and Matrix are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

SECTION 7: NO THIRD-PARTY RELATIONSHIP

7.1 Nothing in this Agreement is intended to create a third-party beneficiary relationship with any party who is not a signatory to this agreement. The rights and obligations contained in this Agreement are solely limited to those between Matrix and Client.

SECTION 8: NO LIABILITY FOR INDIVIDUAL EMPLOYEES OR OFFICERS

8.1 It is intended by the parties to this Agreement that Matrix's services in connection with the Project shall not subject the Matrix's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, Client agrees that as Client's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against Matrix, a Colorado corporation, and not against any of the Matrix's individual employees, officers or directors.

SECTION 9: MISCELLANEOUS PROVISIONS

9.1 These General Conditions and the accompanying proposal or attached Special Provisions constitute the entire agreement between the parties and supersedes any prior agreements and any purchase order conditions.

9.2 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of any third party.

9.3 This Agreement shall be interpreted according to the law of the state in which the Matrix office conducting this work is located.

9.4 Each Provision of this Agreement is intended to be severable. If any provision of this Agreement is declared illegal or invalid for any reason, such illegality or invalidity shall not affect the remainder of this Agreement.

9.5 This Agreement may be terminated in writing by either party upon seven days written notice. Client shall pay Matrix all fees and reimbursable expenses incurred up to the date of termination.

9.6 *Professional Liability* – Matrix shall obtain and maintain a policy of professional liability insurance (with prior acts coverage sufficient to cover the services performed under this Agreement) with policy limits in an amount of not less than \$1,000,000 per claim/\$1,000,000 aggregate. Such insurance will be renewed so as to provide continuous coverage during the term of this Agreement and for a period of at least twelve (12) months following the completion of Matrix's professional services under the Agreement.

SECTION 10: TOTAL AGREEMENT

10.1 This Agreement (consisting of the Standard Agreement for Professional Services and these pages 1 to 3 inclusive, together with any expressly incorporated appendix or attachments), constitutes the entire agreement between Client and Matrix and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.



Matrix Design Group, Inc.
2435 Research Parkway, Suite 300
Colorado Springs, CO 80920
O 719.575.0100
F 719.575.0208
matrixdesigngroup.com

STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

Client Name:

Bradley Heights Metropolitan District
ATTN: Randy Case, President

Address:

119 N. Wahsatch Avenue
Colorado Springs, CO 80903

Project Name: Bradley Heights Phase 2
Engineering/Construction Drawings

Project No: TBD

Project Location: Colorado Springs, Colorado

Matrix Design Group, Inc. (MATRIX) and client hereby enter into this Agreement for Professional Services, pursuant to which, MATRIX will perform services for the compensation set forth below.

Scope of Services: Matrix will complete the work as outlined in the attached scope of work dated March 31, 2022

Compensation: Matrix will complete Scope Items 1-3 for a lump sum cost of \$380,500.00 per the attached proposal. Project Meetings and Coordination will be billed on a Time and Materials basis at Standard Hourly Rates. Expenses will be billed, as accrued, at cost plus 10%.

Upon approval from Client, any work that is identified to be outside of the scope of work will be completed on a time and materials basis at Matrix standard hourly rates or will be negotiated through a change order to this agreement.

The following additional attachments are made a part of this Agreement: Scope of Work dated April 5, 2022, Professional Fee Schedule, General Conditions and 2022 Matrix Hourly Rate Schedule

IN WITNESS WHEREOF, Matrix Design Group, Inc. and Client have made and executed this Agreement.

MATRIX DESIGN GROUP, INC.

BRADLEY HEIGHTS METROPOLITAN DISTRICT

By: Eric Smith, PE
Its: Vice-President
Date: April 7, 2022

By: _____
Its: _____
Date: _____

Excellence by Design

Anniston, AL | Atlanta, GA | Colorado Springs, CO | Denver, CO | Niceville, FL | Parsons, KS | Phoenix, AZ
Sacramento, CA | Tamuning, GUAM | Texarkana, TX | Washington, DC

SCOPE OF SERVICES

Phase 2 Engineering/Construction Drawings
Bradley Heights Metropolitan District
April 5, 2022

Matrix will provide Phase 2 engineering/construction documents for the Bradley Heights development as outlined below.

Task 1: Phase 2 Engineering/Construction Documents – Roadways & Utilities

Phase 2 engineering/construction documents will be completed for the following roadways as described below:

Marksheffel Road Improvements – Approx. 2,000 LF along the eastern frontage of Bradley Heights

- Grading and Erosion Control
- Curb and gutter along west side of Marksheffel Road, if required
- SB deceleration right turn lane at Bradley Ridge
- NB deceleration left turn lane and median improvements at Bradley Ridge
- Northbound widening, if required
- Box Culvert headwall extension structural design (Marksheffel box culvert, west site)
- Traffic signal at Bradley Ridge
- Stormwater conveyance along Marksheffel Road
- Detention and water quality treatment facilities for roadway improvements
- Signing and striping
- Utility coordination – relocation and design by others
 - Electric
 - Gas
 - Telecommunications

Bradley Ridge Road Improvements – Approx. 4,400 LF between Marksheffel Rd and the west Bradley Heights development property line

- Grading and Erosion Control
- Design of a 3-lane collector roadway with bike lanes. Curb and gutter and sidewalk
- 12" water main
- Sanitary sewer, as necessary
- Storm sewer, as necessary
- Signing and striping

Bradley Landing Road Improvements – Approx. 2,700 LF between Phase 1 (Legacy Hill Rd) and Bradley Ridge Road

- Grading and Erosion Control
- Design of a 3-lane collector roadway with bike lanes. Curb and gutter and sidewalk
- 12" water main
- Sanitary sewer, as necessary
- Storm sewer, as necessary
- Signing and striping

Bliss Road Improvements – Approx. 1,350 LF Phase 1 and Bradley Landing Road

- Grading and Erosion Control
- Design of a 3-lane collector roadway with bike lanes. Curb and gutter and sidewalk
- 8" water main
- Sanitary sewer, as necessary
- Storm sewer, as necessary
- Signing and striping

Legacy Hill Drive Improvements – Approx. 1,100 LF between Bradley Landing Rd. and the west Bradley Heights development property line

- Grading and Erosion Control
- Design of a 3-lane collector roadway with bike lanes. Curb and gutter and sidewalk
- 8" water main, as necessary
- Sanitary sewer, as necessary
- Storm sewer, as necessary
- Signing and striping

Bridgegate Place Improvements – Approx. 1,900 LF between Bradley Ridge Rd. and the south Bradley Heights development property line

- Grading and Erosion Control
- Design of a 3-lane collector roadway with bike lanes. Curb and gutter and sidewalk
- 8" water main, as necessary
- Sanitary sewer, as necessary
- Storm sewer, as necessary
- Signing and striping

Drainage and Stormwater facilities

- Design of full spectrum detention facility (Pond 1), near the east side of the existing electrical substation, south of Legacy Hill Drive and west of Bradley Landing. The pond will be designed as a full spectrum detention facility per the City of Colorado Springs criteria for developed stormwater flows from the contributing drainage area. Matrix will coordinate assumed developed condition with the adjacent property owners.
- Design of an interim detention and/or water quality facility located in the SW portion of the site (south of Bradley Ridge Rd). This facility (Pond 2) is intended to be replaced with a permanent full spectrum detention pond completed by the developer at such time that development within the contributing area requires the permanent facility. Location of interim facility to be coordinated with the developer.
- Design of two (2) interim water quality facilities located in the east portion of the site (between Bradley Landing Rd. or Bliss Rd. and the drainage channel). These facilities (Ponds 5 & 7) are intended to be replaced with a permanent water quality ponds completed by the developer(s) at such time that development within the contributing area requires the permanent facility. Location of interim facility to be coordinated with the developer(s).
- Development of drainage easements related to drainage, detention and water quality facilities.

Utility Extensions outside of roadway corridors

- Design of sanitary sewer extension (approx. 850 lf) along the north end of the commercial parcel adjacent to the south side of Bradley Road
- Design of 8" water extension (approx. 850 lf) along the north end of the commercial parcel adjacent to the south of Bradley Road

The construction plans will be broken out into several sets as required by the City of Colorado Springs and Colorado Springs Utilities. These sets include:

- Grading and erosion control plans
 - Standard title sheet, general notes and details following City standards.
 - Initial, interim, and final erosion control plans
 - City Stormwater Management Plan (CSWMP)
- Roadway Plan Set
 - Standard title sheet, general notes and details following City standards
 - Horizontal control plans to include horizontal detailing and control points of improvements
 - Existing conditions and demolition plan, as required
 - Roadway improvements plans
 - Centerline Plan and profile and intersection plans to include profile grade, curb return and intersection detailing, spot grading, and ADA access, where applicable
 - Signage and striping plans
 - Traffic signal plans
- Storm Sewer Plan Set – Within roadway cross section
 - Standard title sheet, general notes and details following City standards
 - Storm sewer plan and profile
 - Storm sewer hydraulic Pipe Design Report

- Water plan and profile plan sets – Within roadway cross section
 - Standard title sheet, general notes and details following Colorado Springs Utilities standards
 - Water main plan and profile
- Sanitary sewer plan set – Within roadway cross section
 - Standard title sheet, general notes and details following Colorado Springs Utilities standards
 - Sanitary main plan and profile
- Pond Plans
 - Standard title sheet, general notes and details following City standards
 - Pond plan view sheet
 - Forebay, trickle channel, and outlet structure designs
 - Pond specific cross sections and details

All plans will be prepared in accordance with City of Colorado Springs or Colorado Springs Utilities standards, as applicable. Matrix will coordinate plan approvals through the City and CSU.

Task 2: Final Drainage Report - Phase 2 Infrastructure

Matrix will prepare a Final Drainage Report (FDR) for the Phase 2 Roadway Engineering and Construction documents. The report will include stormwater conveyance along with a preliminary design of stormwater detention and water quality facilities and permanent BMP's, if required. The report will be prepared in accordance with current City of Colorado Springs drainage criteria. Matrix will coordinate approval through the City.

Task 3: Monument Signage

Monument Sign Schematic Design

Matrix will generate schematic design and theming for primary and secondary monument signs for the development as well as general mapping of proposed sign locations to ensure a cohesive theming throughout the community.

Monument Sign 75% Construction Development Drawings

Using the schematic primary entry and secondary monument sign designs completed above, Matrix will prepare 75% Construction Development Drawings to be used by the General Contractor/ Sign Vendor in support of sign construction. The design plans are intended to be used as a guiding document for construction and not a Means & Methods drawing set. The 75% construction development plans will illustrate general materials, dimensions; color schemes; text size and fonts; general lighting location and lighting fixture selection. However, the engineered construction details, construction techniques and specifications for the monument signs will be provided via shop drawings provided by the General Contractor/ Sign Vendor to the owner/ client for review during the construction submittal process. The General Contractor/ Sign Vendor is responsible for procuring all necessary stamped drawings and permits from the local building department.

Task 4: Project Meetings and Coordination

Matrix will participate in and/or attend meetings, as required, to complete the project. Meetings and coordination include, but are not limited to, meetings with the Client, Developers, Developer's consultants, jurisdictions, project team, the City, CSU, etc. Meetings and project coordination will be billed on a time and materials basis.

Task 5: Direct Expenses

Expenses (mileage, copying, overnight mail, postage, etc.) will be billed as a pass-through cost plus 10%.

PROFESSIONAL FEES

The attached fee schedule details the professional fees for this project. Tasks 1-3 will be billed monthly on a Lump Sum percent complete basis. Project Meetings and Coordination will be billed monthly on a Time and Materials basis at Matrix Standard Hourly Rates. Additional services not listed within the scope of services will be approved in advance by the Client and a change order will be issued prior to completing any work that is outside of the agreed upon scope.

CONDITIONS, ASSUMPTIONS AND EXCLUSIONS

The following conditions and assumptions are an integral part of this proposal:

1. If conditions materially change during the project, Matrix reserves the right to renegotiate part of or this contract to reflect the changed conditions.
2. Geotechnical investigations/reports/testing, electrical, lighting, survey, irrigation, subsurface utility engineering (S.U.E.), traffic control plans and architectural services are not included. Pavement design to be provided by geotechnical engineer.
3. Over-excavation plans are not included.
4. Existing utility investigation including, but not limited to, potholing and utility locates are not included.
5. Final plats, legal descriptions and exhibits are not included.
6. Survey data provided has been represented as reliable, current, and complete. Matrix is not responsible for the accuracy of the design survey information provided, and Client shall hold Matrix harmless for any errors or omissions to said data to include design work completed by Matrix that is affected by erroneous, incomplete, or inaccurate survey information. If additional information is required, Matrix will coordinate with the Client's surveyor.
7. Structural engineering services (if required) such as structural retaining walls, special drainage structures, etc. are not included unless specifically included.
8. Submittal fees, permit fees, platting fees, review fees, financial assurances are the responsibility of the Client.
9. Quantity take-offs and bid packages are not included.
10. Construction administration is not included.
11. Upon acceptance of this proposal, Client agrees to defend, indemnify, and hold Matrix harmless from and against any and all claims, damages, losses, and expenses, including, but not limited to, attorneys' fees, legal defense fees, and court costs, arising out of or related to geotechnical site issues including, but not limited to, settlement, expansive soils, subsurface drainage, foundation movement, etc.
12. If requested, Matrix will provide site civil design in AutoCAD 2020, or latest version used by Matrix, to the Client/Contractor/Owner. Files will be provided for reference only. In the event there is any discrepancy between electronic files and hard copy final approved signed and sealed plans/documents, the hard copy signed plans/documents shall govern.
13. Offsite extensions (outside of the roadway corridors) greater than 100' for water, sanitary sewer and storm sewer are not included unless otherwise specified.

PROFESSIONAL FEE SCHEDULE

<i>Task Item – Lump Sum</i>	<i>Task Fee</i>
Task 1: Phase 2 Engineering/Construction Documents – Roadways	\$ 338,500.00
Task 2: Final Drainage Report (Phase 2)	\$ 20,000.00
Task 3: Monument Signage	<u>\$ 22,000.00</u>
Total (Lump Sum)	\$ 380,500.00

Time and Materials – Billed as Accrued

- Meetings and Project Coordination – Billed at Standard Matrix Hourly Rates
- Expenses – Billed at Cost plus 10%



STANDARD HOURLY RATES
2022

CLASSIFICATION	HOURLY RATE
Principal	\$325.00
Executive Vice President	\$250.00
Senior Vice President	\$235.00
Vice President	\$220.00
Senior Executive Associate	\$205.00
Executive Associate	\$195.00
Senior Associate	\$180.00
Associate	\$160.00
Senior Consultant	\$145.00
Consultant III	\$130.00
Consultant II	\$120.00
Consultant I	\$105.00
Professional III	\$115.00
Professional II	\$100.00
Professional I	\$90.00
Staff V	\$115.00
Staff IV	\$95.00
Staff III	\$85.00
Staff II	\$75.00
Staff I	\$55.00
1-Person Survey Crew	\$135.00
2-Person Survey Crew	\$190.00
3-Person Survey Crew	\$285.00

If applicable, mileage will be charged at the Federal government allowable rate.
All other direct expenses attributable to the Project will be charged to Client at cost.
Standard Hourly Rates are subject to adjustment annually.

Exhibit 1
MATRIX DESIGN GROUP, INC.
GENERAL CONDITIONS

Matrix's Agreement with Client is comprised of these General Conditions and the accompanying written proposal or authorization for services (hereinafter referred to as "Agreement"):

SECTION 1: MATRIX RESPONSIBILITIES

1.1 Matrix agrees to perform services in accordance with the attached proposal, or as otherwise stated herein if no proposal was submitted. Modifications to the proposal or scope of services must be provided and mutually agreed to in writing between Matrix and Client prior to rendering of services by Matrix. In performing services, Matrix will use that degree of care and skill ordinarily exercised under similar circumstances by civil engineers practicing in the same locality wherein the project is located.

1.2 Matrix will perform the services as an independent contractor, and shall not be deemed, by virtue of this Agreement, to have entered into any partnership, joint venture or other relationship with the Client.

1.3 TO THE MAXIMUM EXTENT PROVIDED BY LAW, NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AT COMMON LAW OR CREATED BY STATUTE, IS EXTENDED, MADE OR INTENDED BY THE PROVISION OF PROFESSIONAL SERVICES AND ADVICE OR BY THE FURNISHING OF THE PROFESSIONAL WORK PRODUCTS PURSUANT TO THIS AGREEMENT.

1.4 Matrix's duties do not include supervising the project's contractors or commenting on, overseeing, or providing the means and methods of their work, including job site safety. Matrix will not be responsible for the failure of the project's contractors or other consultants to perform in accordance with their undertakings, and the providing of services by Matrix shall not relieve others of their responsibility to Client or to others.

1.5 If required as part of the services, Matrix may assist Client in applying for and obtaining permits and approvals from governmental entities with jurisdiction over the project. However, Matrix will not be responsible for any failure to issue or delay caused by any conditions imposed by such governmental units.

1.6 If Matrix's performance is delayed due to factors beyond its reasonable control, or if project conditions or the scope of work change, Matrix will give timely notice of the change pursuant to change order and receive compensation for any additional work.

1.7 If this Agreement requires Matrix to perform services during construction, Matrix neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the contract between Owner and such Contractor.

SECTION 2: CLIENT'S RESPONSIBILITIES

2.1 Client shall designate a person to act as the Client's representative with respect to the services Matrix is to provide at the project. The Client's designee shall have complete authority to transmit instructions, receive information, interpret and define the Client's policies and decisions with respect to the services.

2.2 Any questions, requests for clarification or directions from the Client to Matrix shall be in writing, pursuant to a Request for Information or otherwise, and Matrix is under no obligation to follow oral direction provided on site.

2.3 Client is solely responsible for coordinating amongst design professionals. Client agrees to provide Matrix with all known information, conditions, standards, criteria and objectives which affect its services. This includes, but is not limited to, all plans or reports from other design professionals that may impact or affect Matrix's work. Matrix will be entitled to rely on the accuracy of the information provided. Client hereby agrees that if Client fails to provide Matrix with any of the information required in this paragraph, Client will assume all risks associated with that failure. Matrix will not be responsible for any omissions or acts which were caused in whole or in part by the failure of Client to provide the required information to Matrix.

2.4 Client agrees that Matrix will not be liable for any changes in conditions to the project caused by others after Matrix's work is completed on the project.

SECTION 3: DOCUMENTS AND REPORTS

3.1 Documents, plans, diagrams, sketches, surveys, computer files, working drawings and any other materials created or prepared by Matrix as part of its performance of this Agreement (the "Work Products") are solely for use for this project, and Matrix shall retain ownership rights including copyrights. The Client may retain copies and may use such Work Products in connection with Client's work on this project. However, Client agrees not to alter the Work Products and not to use the Work Products for any purpose or project other than that intended by this Agreement. Matrix accepts no responsibility and reserves all rights for Client's use of the Work Products for any purpose or project other than the project specified in the attached Proposal.

3.2 Client agrees that Matrix will rely on the type of building(s) specified in the plans. If the Client re-configures, remodels or converts the building(s) in the project for some other use after Matrix has completed its work, the Client agrees that Matrix's initial design work will no longer apply and Matrix cannot be held liable for any civil engineering issues caused by such changes.

3.3 If Client later converts this Project for any use other than what was specifically agreed to in the accompanying proposal (e.g., converts the project from apartment buildings to condos or from commercial to residential use), Client hereby releases Matrix from any

liability caused, relating to or arising from, the changed use of the Project and assumes all risk relating to such changed use.

3.4 If Client does not make payment in full as provided in this Agreement, Client agrees to deliver all Work Products previously transmitted to Client upon demand by Matrix, and not to use such Work Products for any purpose whatsoever until payment in full has been received.

3.5 Project records and Work Products will be retained by Matrix for a period of five years following completion of the services.

SECTION 4: COMPENSATION

4.1 Matrix's pricing of this work is predicated upon Client's acceptance of the conditions and allocations of risks and responsibilities described in this Agreement. If there is no other Agreement as to rates and fees, Client agrees to pay Matrix's current Standard Hourly Billing Rates for any work done on Client's behalf pursuant to this Agreement. An estimate or statement of probable cost is not a firm figure unless stated as such.

4.2 In addition to the hourly rates paid for services, Client shall pay Matrix's reimbursable expenses directly attributable to the project. Reimbursable expenses shall include but not be limited to: sub consultant fees, expense of transportation, parking, meals, postage, including special delivery fees, zoning application fees, inspection fees, permit fees, and charges for blueprints and reproduction.

4.3 Matrix will submit invoices to Client monthly. Client will pay the balance stated in the invoice within thirty (30) days unless Client informs Matrix in writing of objections to the invoice within that thirty-day period. Any retainer paid by the Client hereunder shall be credited to Matrix's last invoice for Services rendered.

4.4 Any invoiced amounts outstanding after thirty days will bear interest at the rate of 1.5% per month (18% per annum), or the maximum permissible by applicable law, whichever is less from the thirtieth day following the date of the invoice, until paid.

4.5 Additional Services

A. If authorized by Client in writing, Matrix shall furnish services in addition to those set forth above.

B. Client shall pay Matrix for such additional services as follows:

1. A pre-determined lump sum basis payment as agreed to in writing by both Matrix and Client.

2. On an hourly time and expenses basis for additional services of Matrix's employees engaged directly on the Project in an amount equal to the cumulative hours charged to the Project by each class of Matrix's employees times standard hourly rates for each applicable billing class, plus

reimbursable expenses and Matrix's consultants' charges, if any.

4.6 Matrix shall be entitled to recover all attorney's fees, dispute resolution fees, court costs and other expenses incurred in the collection or attempted collection of any amounts due under this Agreement.

4.7 At Matrix's option, Matrix may temporarily cease to perform the services or elect to terminate this Agreement if invoiced amounts are unpaid sixty days after the date of any invoice. In no event shall Matrix be liable for any damage or expense resulting from such termination or work stoppage.

4.8 Client's obligation to pay for the services shall not be reduced or in any way impaired by Client's inability to obtain financing, governmental approval of the project, or for any other cause. No deduction shall be made from any invoice because of penalty set-off or liquidated damages.

SECTION 5: RISK, DISPUTES AND DAMAGES

5.1 The parties agree that all disputes between them will be submitted to a mutually agreeable neutral mediator, as a condition precedent to litigation or other remedies provided by law. The fee and costs of the mediator shall be apportioned equally between the parties.

5.2 Following mediation, all disputes between Client and Matrix for \$500,000 or less shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association effective at the Effective Date of the Agreement.

5.3 Following mediation, all disputes between Client and Matrix greater than \$500,000, shall be settled by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association effective at the Effective Date of the Agreement and before an arbitration panel of three mutually agreeable arbiters, at least one of whom will be a licensed, practicing civil engineer in the state where the project is located.

5.4 NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES RESULTING FROM DELAY, LOSS OF USE, LOSS OF PROFITS OR REVENUE, OR COST OF CAPITAL.

5.5 Client agrees to notify Matrix of any claimed negligent act, error or omission within thirty days of the date of its discovery and to provide Matrix with the opportunity to investigate and to recommend ways of mitigating damages as a condition precedent to litigation or other remedies provided by law.

5.6 Client and Matrix agree that the statute of repose under Colorado law will begin to run upon the completion of Matrix's work as evidenced by the date of the last invoice, and not when the project is completed as a whole. Client and Matrix further contractually agree to revise the repose period set forth under CDARA, and instead agree that any claims against Matrix must be brought within five years

after Matrix's last invoice on the project, even if alleged defects arise at a later time.

5.7 Many risks affect Matrix by virtue of entering into this Agreement to provide professional services. For Client to obtain the benefit of a fee which includes a reasonable allowance for Matrix's risk, Client agrees that Matrix's aggregate liability will not exceed the fee paid for our services or \$50,000, whichever is greater, for Matrix's alleged negligent acts, errors or omissions.

5.8 To the maximum extent permitted by law, Client agrees to defend, indemnify and hold Matrix harmless from and against all claims, damages, losses, and expenses, including but not limited to, attorneys' fees, arising out of or related to any negligent act or omission of Client, its contractors, subcontractors, other consultants or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is also caused in part by Matrix. It is understood, however, that the Client will not defend, indemnify or hold Matrix harmless for Matrix's sole negligence in performing services for the project.

SECTION 6: SUCCESSORS, ASSIGNS AND BENEFICIARIES

6.1 Client and Matrix each is hereby bound and the partners, successors, executors, administrators and legal representatives of Client and Matrix are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

SECTION 7: NO THIRD-PARTY RELATIONSHIP

7.1 Nothing in this Agreement is intended to create a third-party beneficiary relationship with any party who is not a signatory to this agreement. The rights and obligations contained in this Agreement are solely limited to those between Matrix and Client.

SECTION 8: NO LIABILITY FOR INDIVIDUAL EMPLOYEES OR OFFICERS

8.1 It is intended by the parties to this Agreement that Matrix's services in connection with the Project shall not subject the Matrix's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, Client agrees that as Client's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against Matrix, a Colorado corporation, and not against any of the Matrix's individual employees, officers or directors.

SECTION 9: MISCELLANEOUS PROVISIONS

9.1 These General Conditions and the accompanying proposal or attached Special Provisions constitute the entire agreement between the parties and supersedes any prior agreements and any purchase order conditions.

9.2 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of any third party.

9.3 This Agreement shall be interpreted according to the law of the state in which the Matrix office conducting this work is located.

9.4 Each Provision of this Agreement is intended to be severable. If any provision of this Agreement is declared illegal or invalid for any reason, such illegality or invalidity shall not affect the remainder of this Agreement.

9.5 This Agreement may be terminated in writing by either party upon seven days written notice. Client shall pay Matrix all fees and reimbursable expenses incurred up to the date of termination.

9.6 *Professional Liability* – Matrix shall obtain and maintain a policy of professional liability insurance (with prior acts coverage sufficient to cover the services performed under this Agreement) with policy limits in an amount of not less than \$1,000,000 per claim/\$1,000,000 aggregate. Such insurance will be renewed so as to provide continuous coverage during the term of this Agreement and for a period of at least twelve (12) months following the completion of Matrix's professional services under the Agreement.

SECTION 10: TOTAL AGREEMENT

10.1 This Agreement (consisting of the Standard Agreement for Professional Services and these pages 1 to 3 inclusive, together with any expressly incorporated appendix or attachments), constitutes the entire agreement between Client and Matrix and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.