



**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
HELD JULY 13, 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, July 13, 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/530123597>.

Attendance

In attendance were Directors:

Randle Case II, President

Bryan Long, Vice President

Lindsay Case, Treasurer/Secretary

Robert Case, Assistant Secretary (by phone)

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (by phone)

Kevin Walker, WSDM, District Manager

Eric Smith, Interim District Engineer (by phone)

Kyle Thomas, D.A. Davidson (by phone)

David Neville, Kiemele Family Partnerships (by phone)

Ray O'Sullivan, Bradley Ridge

Jane Fredman, Redemption Hill Church counsel (by phone)

Tony Gordon, Gordon Construction, Redemption Hill Church contractor (by phone)

Tiffany Liechman, Bond Counsel (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. Consider appointment of Mr. Ray O’Sullivan to vacant Board positions for Bradley Heights Metropolitan Districts Nos 1, 2, and 3: Director Long moved to appoint Mr. Ray O’Sullivan to the vacant Board positions for Bradley Heights Metropolitan Districts Nos. 1, 2, and 3, subject to final credential approval. Director Lindsay Case asked Mr. O’Sullivan if he is aware the Board is anticipating receiving the easement from the owners. Mr. O’Sullivan said he has no objection to the extent it makes sense for the project in total. Seconded by Director Robert Case. Motion passed unanimously.
4. Approval of Agenda: President Case II requested to add discussion on the road alignments as an easement to Agenda item 8.a. Director Lindsay Case moved to approve the Agenda as amended; seconded by Director Long. Motion passed unanimously.
5. Approval of the June 8, 2021 Meeting Minutes: After review, Director Lindsay Case moved to approve the June 8, 2021 Meeting Minutes as presented; seconded by Director Long. Motion passed unanimously.
6. District Manager Report: Mr. Walker presented the District Manager Report. He has been working on paperwork so the District is able to issue the bonds as well as time spent on insurance issues which will be discussed later in the Agenda.
7. President of the Board Report: President Case II presented the President of the Board Report. He noted items that will be discussed in detail later in the Agenda. President Case II reported they have had several Agenda prep meetings and regular stake-holder conversations about the bonds. He suggested a special meeting in order to get the bonds done. He requested the Board discuss Agenda item 9.a. next so that bond counsel can be excused.
8. Development Status Review
 - a. Traffic Engineering study: Mr. Smith reported the traffic study should be completed by next week for the entire 529 acres. The study recommends there is no need for arterials for the project, just collectors. The City engineers agree that arterials will not be necessary. President Case II noted they met with the school district a few times in the last 90 days and there is an anticipated school site of 30 acres in the area as well as a park.
 - b. Stormwater update – MDDP: President Case II discussed the stormwater update and noted the City approved a circuitous stormwater alignment as opposed to a more developed alignment.
 - c. Master Utility Plan: Mr. Smith reported they are looking into what future grading might look like as well as how to provide utility service to the various parcels.
 - d. Redemption Hill Church – PILOT update: Mr. Walker reported they have been working with Ms. Fredman on the PILOT agreement and the concept is a construction reimbursement agreement rather than a long-term PILOT. Ms. Fredman confirmed the Church will pay their fair share on utilities and if they can get cost savings by participating in what the District is doing, then they are all in. Mr. Gordon updated the Board on the land use items and noted they are continuing to work with Challenger.

- e. Challenger Homes: President Case II reported that Mr. Byers did attend the school district meeting and they have reviewed their land use submittals. They are getting ready to resubmit their response to the first round of comments.
- f. Bradley Ridge: Mr. O’Sullivan reported they are ready to complete the first land use items on the first full take which is the 20-acre multi-family and the 25-acre Kiemele project that spills over into the second take. They anticipate submitting the land plan by end of August to mid-September. Mr. Neville commented that he missed land use changes in regard to the Kiemele property on the northern side of the District as well as the easement and if it affects Kiemele property. He requested to be included in the land use discussions. President Case II said he can be invited to all meetings and suggested he attend the meeting tomorrow. The Board discussed the easement and explained it is only for improvements but does not take ownership.

9. Bond Matters

- a. Bond Issuance Status Report: DA Davidson
 - a. Schedule update: Mr. Thomas presented an updated schedule and newer bond structure. It includes two bonds, a senior and subordinate bond that combines that into a single cash flow bond. He noted a memo will be sent to the City explaining the change in structure, and they have been amenable to this type of bond structure in other districts. Under this schedule, updated bond documents will be distributed later this week and drafting of cash flow analysis and updating documents. The posting and offering documents are anticipated by the end of this month with pricing and closing in August.
 - b. Financial terms options Review: Mr. Thomas presented the financial terms options review. Mr. Thomas discussed the project funds and noted the reasonable expectation is the District will spend 85% of the proceeds within three years. The project fund is expected to be \$30 Million. After discussion, Director Robert Case moved to approve Column 3 as the preferred alternative; seconded by Director Lindsay Case. Director Lindsay Case asked Mr. O’Sullivan if he could vote, would he vote for Column 3. Mr. O’Sullivan confirmed he would. Motion passed unanimously. Ms. Liechman and Mr. Thomas left the meeting.
- b. PLOM Review: There was no additional discussion.
- c. Bond Resolution, Capital Pledge Agreement and Special Counsel, etc. preliminary review and comment: There was no additional discussion.
- d. Improvement costs and mapping: There was no additional discussion.

10. Financial Matters

- a. Approve Unaudited Financial Reports for June 30, 2021 and Payables for June 2021: Mr. Walker presented the unaudited financial reports for June 30, 2021 and payables for June 2021. After review, Director Long moved to approve the unaudited financial reports for June 30, 2021 and payables for June 2021 subject to funding; seconded by Director Lindsay Case. Motion passed unanimously.

11. Other Business

- a. District Administrative Services Agreement: Mr. Allen explained the District Administrative Services Agreement sets forth the administrative functions of the Districts coordinated through District No. 1. Director Lindsay Case moved to approve the District Administrative Services Agreement; seconded by Director Robert Case. Motion passed unanimously.
- b. Approval of IGA for CSDPool insurance: Director Lindsay Case moved to approve the IGA for CSDPool Insurance; seconded by Director Long. Motion passed unanimously.

- c. Next Regular Meeting Date: The Board scheduled the next regular meeting for August 10, 2021 at 9:00 AM. Mr. Allen confirmed the bond resolutions could be approved at that meeting.

12. Adjourn: Director Robert Case moved to adjourn at 9:57 AM; seconded by Director Long. Motion passed unanimously.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary