

APPENDIX A
(To Continuing Disclosure Agreement)

FORM OF QUARTERLY REPORT

BENT GRASS METROPOLITAN DISTRICT
(IN THE COUNTY OF EL PASO, COLORADO)

\$6,750,000
GENERAL OBLIGATION LIMITED TAX
REFUNDING AND IMPROVEMENT BONDS
SERIES 2020

Date of Report: March 31, 2024

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (the "Agreement") entered into on June 30, 2020, by and among Bent Grass Metropolitan District, El Paso County, Colorado (the "District"); Challenger Communities, LLC, a Colorado limited liability company (the ("Developer") and UMB Bank, n.a., Denver, Colorado as trustee (the "Trustee"), under the Indenture (defined below) relating to the above-captioned bonds (the "Bonds"). Unless otherwise stated herein, capitalized terms shall have the meanings assigned them in he Limited Offering Memorandum dated June 23, 2020, pertaining to the Bonds, and all information contained herein is the most current information available as of the Date of Report specified above, and is provided with respect to development within the Development.

Section 1. Development. [Developer to complete; to be updated each quarter until the Development Completion Date.] Provide the following information with respect to property within the Developments since both the last Quarterly Report and cumulatively, since the date of the issuance of the bonds.

(a) Building Permits - Residential: State the number of residential building permits issued by El Paso County within the Development since both the last Quarterly Report and cumulatively, since the date of issuance of the Bonds (if any such building permit is issued for any residential unit type other than a single-family detached residence, then please provide the following by residential unit type):

Last Quarter:	0	Cumulatively:	216
---------------	---	---------------	-----

(b) Certificates of Occupancy - Residential: State the number of residential certificates of occupancy issued by El Paso County within the Development since both the last Quarterly Report and cumulatively, since the date of issuance of the Bonds (if any such building permit is issued for ay residential unit type other that a single-family detached residence, then please provide the following by residential unit type):

Last Quarter:	8	Cumulatively:	200
---------------	---	---------------	-----

© **Other Activity.** In the event that the Developer's site development plan for the 557 single-family detached residential lots has changed materially from that described in the Limited Offering Memorandum, please describe such change in the Developer's site development plan, In addition, please describe or attach a copy of any site development plan approved for single-family attached lots with the District (including any amendments thereto).

(d) **Zoning.** Describe any changes to the zoning of the property initiated by the Developer or of which the Developer has been given written notice by other owners of property withing the Development since the last Quarterly Report (including any amendments to any final plan, sketch plat, preliminary development plans, or final development plans).

Section 2. Inclusions and Exclusions. [District to complete; to be updated each quarter until the Development Completion Date.] Describe any property, by parcel designation and acreage which has been included within or excluded from the boundaries of the District since the last Quarterly Report, if applicable.

Section 3. Fund Balances and Transfers. [District to complete, based up information received from the Trustee; to be updated each quarter on and prior to the Development Completion Date, and to be updated annually after the Development Completion Date.]

The amount on deposit in each of the following funds is set forth below, as of September 30, 2023.

- (a) the amount on deposit in the Project Fund is \$2,269.70;
- (b) the amount on deposit in the Bond Fund is \$154,230.49;
- © the amount on deposit in the Reserve Fund is \$566,134.62;
- (d) the amount on deposit in the Surplus Fund is \$45,125.24

Section 4. Assessed Value, Actual Value and Mill levies. [District to complete to be provided annually with the Quarterly Report due November 15, may be provided as part of the Audited Financial Statements filed under Section 5 below.]

The District shall complete and update the following tables:

History of Assessed Valuations and Mill Levies for the District

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Increase</u>	<u>Mil Levy</u>
2020	2021	5,459,860	0.00%	30.000
2021	2022	7,238,970	24.58%	30.000
2022	2023	8,897,590	18.64%	30.000
2023	2024	12,871,990	30.88%	30.000

Source: El Paso County Assessor's Office.

Property Tax Collections in the District

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collections</u>	<u>Current Collections as % of Tax Levied</u>
2020	2021	163,796	163,796	100%
2021	2022	217,169	217,169	100%
2022	2023	274,448	267,991	97.65%
2023	2024	310,621	136,945	44.09%

Figures are through April 10, 2024

Source: El Paso County Treasurer's Office.

Section 5. Annual District Financial Information. [District to complete; to be provided with the Quarterly Report indicated below.] Each of the annual information items set forth below must be provided only once each year as indicated below. Audited Financial Statements shall be provided with, and no later than the appropriate Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report

Audited Financial Statements of the District for the year ending 12/31/22. (Must be provided with the Quarterly Report due November 15.)

☒ Annual Budget of the District for fiscal year 2022. Such annual budget ☒ has ☐ has not been adopted by the Board of Directors of the District. (Must be provided with the Quarterly Report due February 15.)

Section 6. Authorized Denominations. [District to complete; to be updated each quarter on and prior to the Development Completion Date, and to be updated annually after the Development Completion Date.]

The bonds are presently outstanding in Authorized Denominations of:

☒ 500,000 or any integral multiple of \$1,000 in excess thereof.

The information contained in this Quarterly Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness.

The party executing this report on behalf of each of the District and the Developer hereby certifies that he/she is authorized to execute this report on behalf of the party on whose behalf he/she has so executed. The Developer hereby further certifies as to the information provided in Section 1 only of the foregoing report, the District hereby further certifies as to the information provided in Sections 2 through 6 only of the foregoing report and that such information is, to the best of it's knowledge, true, accurate and complet. This report may be executed below on counterpart signature pages.

BENT GRASS METROPOLITAN DISTRICT, El Paso
County, Colorado as District5

By:

DocuSigned by:

Randle W. Case II, Board Member

293CF22337AE476...

President

CHALLENGER COMMUNITIES, LLC, a Colorado
limited liability company, as Developer

By:

DocuSigned by:

Jim Byers

E00A55E129D7407...

Name: Jim Byers

Title: VP of Community Development

Certificate Of Completion

Envelope Id: AD92F4DD049F42968BF94D72D81FCB2B

Status: Completed

Subject: Complete with DocuSign: 1st Qtr Cont Disc BGMD.pdf

Source Envelope:

Document Pages: 4

Signatures: 2

Certificate Pages: 5

Initials: 0

AutoNav: Enabled

Envelope Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:

Sue Gonzales

614 N Tejon Street

Colorado Springs, CO 80903

sue.g@wsdistricts.co

IP Address: 96.79.235.13

Record Tracking

Status: Original

4/23/2024 1:07:35 PM

Holder: Sue Gonzales

sue.g@wsdistricts.co

Location: DocuSign

Signer Events

Jim Byers

Jim@ChallengerHomes.com

VP of Community Development

Challenger Communities, LLC.

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:

E06A55E129D7467...

Signature Adoption: Pre-selected Style

Using IP Address: 65.152.162.100

Timestamp

Sent: 4/23/2024 1:09:53 PM

Viewed: 4/24/2024 7:47:29 AM

Signed: 4/24/2024 7:47:43 AM

Electronic Record and Signature Disclosure:

Accepted: 5/4/2021 3:30:23 PM

ID: 61769ed7-1d6a-4f96-b40f-0090e7098160

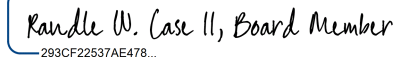
Randle W. Case II, Board Member

rwcase@clr.net

President

Security Level: Email, Account Authentication
(None)

DocuSigned by:

293CF22537AE478...

Signature Adoption: Pre-selected Style

Using IP Address: 15.181.16.28

Signed using mobile

Sent: 4/23/2024 1:09:54 PM

Resent: 4/24/2024 11:26:13 AM

Viewed: 4/24/2024 11:34:45 AM

Signed: 4/24/2024 11:35:16 AM

Electronic Record and Signature Disclosure:

Accepted: 4/24/2024 11:34:45 AM

ID: 2f944464-8a2c-4f88-bf62-cd6935c69714

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Sue Gonzales

sue.g@wsdistricts.co

Director of District Accounting

Walker Schooler District Managers

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

COPIED

Sent: 4/23/2024 1:09:54 PM

Resent: 4/24/2024 11:35:20 AM

Witness Events	Signature	Timestamp
----------------	-----------	-----------

Notary Events	Signature	Timestamp
---------------	-----------	-----------

Envelope Summary Events	Status	Timestamps
-------------------------	--------	------------

Envelope Sent	Hashed/Encrypted	4/23/2024 1:09:54 PM
Certified Delivered	Security Checked	4/24/2024 11:34:45 AM
Signing Complete	Security Checked	4/24/2024 11:35:16 AM
Completed	Security Checked	4/24/2024 11:35:16 AM

Payment Events	Status	Timestamps
----------------	--------	------------

Electronic Record and Signature Disclosure
--

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Walker Schooler Dist Managers (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Walker Schooler Dist Managers:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: kalilah.a@wsdistricts.co

To advise Walker Schooler Dist Managers of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at kalilah.a@wsdistricts.co and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Walker Schooler Dist Managers

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to kalilah.a@wsdistricts.co and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Walker Schooler Dist Managers

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to kalilah.a@wsdistricts.co and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Walker Schooler Dist Managers as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Walker Schooler Dist Managers during the course of your relationship with Walker Schooler Dist Managers.