

## Settlement Agreement and Mutual Release

This Settlement Agreement and Mutual Release (“Settlement Agreement”) is made effective this 27th day of February 2026 (“Effective Date”) by the City of Colorado Springs (“City”) on behalf of its enterprise Colorado Springs Utilities (“CSU”) (the City and CSU shall collectively be referred to as “the City”) and ADB Companies, LLC (“ADB”). The signatories to this Settlement Agreement will be referred to individually as a “Party” and jointly as the “Parties.”

### **RECITALS**

- A. CSU entered into an Owner Contractor Agreement with ADB that had an effective date of August 5, 2022 (“Contract”).
- B. The Contract was to install part of a fiber optic network for CSU, with only Task Orders issued for FHR 1 and FHR 2 (“Project”).
- C. Disputes arose between CSU and ADB on the Project and associated with the Contract.
- D. CSU terminated ADB for convenience with an effective date of May 30, 2024 (“Termination”).
- E. ADB filed an action titled *ADB Companies, LLC v. Colorado Springs Utilities, an Enterprise of the City of Colorado Springs, Colorado*, District Court, El Paso County, Colorado, Case No. 2024CV31928 (“Lawsuit”).
- F. In the Lawsuit, ADB asserted claims against the City (“ADB Claims”).
- G. In the Lawsuit, the City asserted counterclaims against ADB (“City Counterclaims”).
- H. The Parties desire to enter into this Settlement Agreement in order to resolve the Lawsuit, ADB Claims, City Counterclaims, all claims that could have been asserted in the Lawsuit, and all claims either Party has against the other as of the Effective Date.

In consideration of the mutual promises and covenants set forth below, and other good and valuable consideration, the sufficiency of which hereby is acknowledged, the undersigned Parties hereby agree, represent, warrant, and covenant as follows:

### **AGREEMENT**

#### 1. **Condition Precedent**

- 1.1 The Settlement Agreement is expressly conditioned upon approval of the Settlement Agreement by the City Council of Colorado Springs, which occurred on January 13, 2026 (“Approval”).

## 2. Payment

- 2.1 Upon receipt of the Approval, CSU shall pay \$5,350,000 to ADB (“CSU Payment”). The CSU Payment will be made by Automated Clearing House, pursuant to previous payments made by CSU to ADB under the Contract.
- 2.2 The CSU Payment shall be made within fourteen (14) days of the date of the last signature.

## 3. Dismissal of Lawsuit with Prejudice

- 3.1 Within five (5) business days of the CSU Payment, the Parties shall successfully file a Stipulated Motion to Dismiss with Prejudice, with each Party to pay its attorneys’ fees and costs.

## 4. Released Claims

- 4.1 Upon receipt of the CSU Payment, the City, together with all of its past, present, and future elected officials, beneficiaries, predecessors, affiliates, partnerships, partners, subcontractors, trusts, parents, subsidiaries, shareholders, members, managers, officers, directors, agents, and attorneys, hereby releases and forever discharges ADB, on behalf of itself and all of its past, present, and future beneficiaries, predecessors, insurers, affiliates, partnerships, partners, trusts, parents, subsidiaries, shareholders, officers, directors, agents, and attorneys, of and from any and all actions, causes of action, claims, demands, losses, damages, costs, attorneys’ fees, judgments, liens, indebtedness, and liabilities whatsoever, whether fixed or contingent, whether wholly or only partially accrued, and whether known or unknown, arising, in whole or in part, out of or in any way related to the ADB Claims, City Counterclaims, and all claims that could have been asserted in the Lawsuit.
- 4.2 Upon receipt of the CSU Payment, ADB, together with all of its past, present, and beneficiaries, predecessors, affiliates, partnerships, partners, subcontractors, trusts, parents, subsidiaries, shareholders, members, managers, officers, directors, agents, and attorneys, hereby releases and forever discharges the City, on behalf of itself and all of its past, present, and future elected officials, beneficiaries, predecessors, insurers, affiliates, partnerships, partners, trusts, parents, subsidiaries, shareholders, officers, directors, agents, and attorneys, of and from any and all actions, causes of action, claims, demands, losses, damages, costs, attorneys’ fees, judgments, liens, indebtedness, and liabilities whatsoever, whether fixed or contingent, whether wholly or only partially accrued, and whether known or unknown, arising, in whole or in part, out of or in any way related to the ADB Claims, City Counterclaims, and all claims that could have been asserted in the Lawsuit.
- 4.3 The claims released in Paragraphs 4.1 through 4.2 are hereby referred to as the “Released Claims.”

4.4 The Parties covenant and warrant they have not assigned or transferred to any person all or any portion of the Released Claims.

5. Covenant Not to Sue

5.1 The Parties agree they will not institute, cause to be instituted, or participate or cooperate in the institution of any action or litigation against any Party, in which liability is sought in any way to be predicated upon any of the Released Claims (“Covenant Not to Sue”).

5.2 In the event an action is commenced in violation of the Covenant Not to Sue, any Party who is a party to such action may assert the Released Claims and Covenant Not to Sue by way of defense, counterclaim, cross-claim, or third-party claim, and shall be entitled in such action to recover its cost of defense, including attorneys’ fees, costs, and all other reasonable disbursements.

6. Further Assurances

6.1 The Parties agree to execute and deliver all other and additional instruments and documents and do all such other acts and things as may be necessary, which are consistent with this Settlement Agreement, to fully effectuate this Settlement Agreement.

7. Costs and Fees

7.1 Each Party agrees to bear its own costs and attorneys’ fees in connection with the Settlement Agreement, Lawsuit, ADB Claims, City Counterclaims, all claims that could have been asserted in the Lawsuit, and all claims either Party has as of the Effective Date.

8. No Admission of Liability

8.1 It is understood and agreed that acceptance or delivery of this Settlement Agreement by the Parties shall not be deemed or construed as an admission of liability by any Party, and each Party expressly denies liability of any nature arising from or related to the subject of the Settlement Agreement, including, without limitation, the Released Claims.

9. Advice of Counsel

9.1 The Parties each represent, acknowledge, and agree that:

- They have each received, or have had the opportunity to receive, advice from independent legal counsel selected by them prior to their execution of this Settlement Agreement;

- The legal nature and effect of this Settlement Agreement has been fully explained to them by such independent counsel, if such counsel were consulted;
- They fully understand the terms and provisions of this Settlement Agreement and the nature and effect thereof;
- They are relying solely upon their own judgment and, if applicable, the advice of their own independent and independently chosen counsel in executing this Settlement Agreement; and
- They have not relied upon any representation or statement of any other Party, any employee or agent of any such Party, or counsel for any other Party in executing this Settlement Agreement.

#### 10. Successors and Assigns

- 10.1 All rights and obligations under this Settlement Agreement shall be binding upon and inure to the benefit of each Party's successors and assigns.

#### 11. Entire Agreement

- 11.1 This Settlement Agreement is the final, complete, and exclusive statement of the Settlement Agreement between the Parties and supersedes all proposals, prior agreements, and all other communications between the Parties, oral or in writing, relating to the subject matter of this Settlement Agreement. Neither Party shall be bound by any terms, conditions, statements, warranties, or representations, oral or written, not contained in this Settlement Agreement.

#### 12. Severability

- 12.1 Each provision of this Settlement Agreement is intended to be severable, and if any portion of this Settlement Agreement is held invalid, illegal, unenforceable, or void for any reason, the remainder of this Settlement Agreement will remain in full force and effect. Any portion of the Settlement Agreement held to be invalid, unenforceable, or void will, if possible, be deemed amended or reduced in scope, but such amendment or reduction in scope will be made only to the minimum extent required for purposes of maximizing the validity and enforceability of this Settlement Agreement.

#### 13. Modification

- 13.1 No term or provision of this Settlement Agreement may be varied, changed, modified, waived, discharged, or terminated orally, except by an instrument in writing signed by the Party against whom the enforcement of the variation, change, modification, waiver, discharge, or termination is sought.

#### 14. Jointly Drafted

14.1 The Parties, by and through their counsel, mutually contributed to the preparation of and have had the opportunity to review and revise this Settlement Agreement. Accordingly, no provision of this Settlement Agreement shall be construed against any Party to this Settlement Agreement because that Party, or its counsel, drafted or assisted in the drafting of the provision. This Settlement Agreement and all of its terms shall be construed equally as to all Parties.

15. Applicable Law

15.1 This Settlement Agreement, including its interpretation or enforcement, shall be governed by the laws of the State of Colorado, exclusive of its choice of law rules.

16. Execution in Multiple Counterparts

16.1 This Settlement Agreement and all documents to be executed hereunder may be executed in multiple counterparts, each of which may be treated as an original document.

17. Facsimile/Email and Copies

17.1 This Settlement Agreement and all documents to be executed hereunder may be executed by facsimile/email, and both facsimile/email and photocopies may be treated as original documents.

18. Authority of Signatories

18.1 Each person signing the Settlement Agreement represents that it has the authority to bind the Party on behalf of whom or which it signs to the terms of this Settlement Agreement.

19. Headings

19.1 The headings of the paragraphs of the Settlement Agreement have been inserted for reference only, are not part of the Settlement Agreement, and are not to be used in any way in the construction or interpretation of the Settlement Agreement.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be executed in their respective names on the date reflected next to their signature.

**The City of Colorado Springs on behalf of its enterprise Colorado Springs Utilities**

DATED this \_\_\_\_\_ day of February 2026

\_\_\_\_\_  
Colorado Springs Utilities

By: \_\_\_\_\_

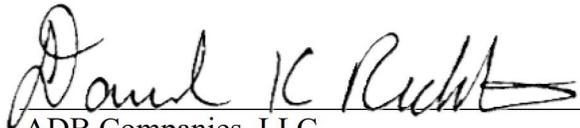
Title: \_\_\_\_\_

**Approved as to Form:**

\_\_\_\_\_  
**Office of the City Attorney**

**ADB Companies, LLC**

DATED this 25th day of February 2026

  
\_\_\_\_\_  
ADB Companies, LLC

Print Name: Daniel K Recklein

Title: Vice President, Legal Operations