



**MAYBERRY, COLORADO SPRINGS
METROPOLITAN DISTRICT CAB and NOS. 1-8**

Special Board Meeting
614 N. Tejon St., Colorado Springs, CO 80903

Saturday, February 22, 2025 – 1:00 PM

Or

**** Please join the meeting from your computer, tablet, or smartphone****

<https://video.cloudoffice.avaya.com/join/504564168>

You can also dial in using your phone.

United States: [+1 \(213\) 463-4500](tel:+12134634500)

Access Code: 504564168

BOARD OF DIRECTORS

Jason Kvols Lee Merritt Haleigh Kvols Roger Kowash	Treasurer Secretary Assistant Secretary Assistant Secretary	Term Expires May 2025 (1 & 3-8)/ May 2027 (2) Term Expires May 2027 (1 & 3-8)/ May 2025 (2) Term Expires May 2027 (1 & 3-8) Term Expires May 2027 (1 & 3-8)

AGENDA

- 1. ADMINISTRATIVE MATTERS:**
 - a. Call to order/Declaration of Quorum
 - b. Approval of Agenda
- 2. LEGAL MATTERS**
 - a. Consider Adoption of Resolutions for Mayberry Colorado Springs Metropolitan Districts 5-7 to Initiate Active Status (under separate cover)
 - b. Consider Adoption of Resolution to Publish Notice of Intent to Non-Materially Amend Service Plan of Mayberry, Colorado Springs District Nos. 1-8 (under separate cover)
 - c. Review and Consider Approval of Valbridge Property Advisors Appraisal Services Agreement and The Connexion Group Benefit Study (included in packet)
- 3. PUBLIC COMMENT AND SIGN-IN SHEET:**
(Limited to 3 minutes and only for items not on the agenda)
- 4. ADJOURNMENT**





Valbridge Property Advisors | Denver/Front Range
Appraisal Services Agreement

February 18, 2025

Mayberry Communities, LLC

c/o Tim Morzel

D.A. Davidson & Co.

tmorzel@dadco.com

Re: Appraisal of

Mayberry Communities

CO-94 and South Log Road

Calhan, El Paso County, Colorado 80808

Dear Mr. Morzel:

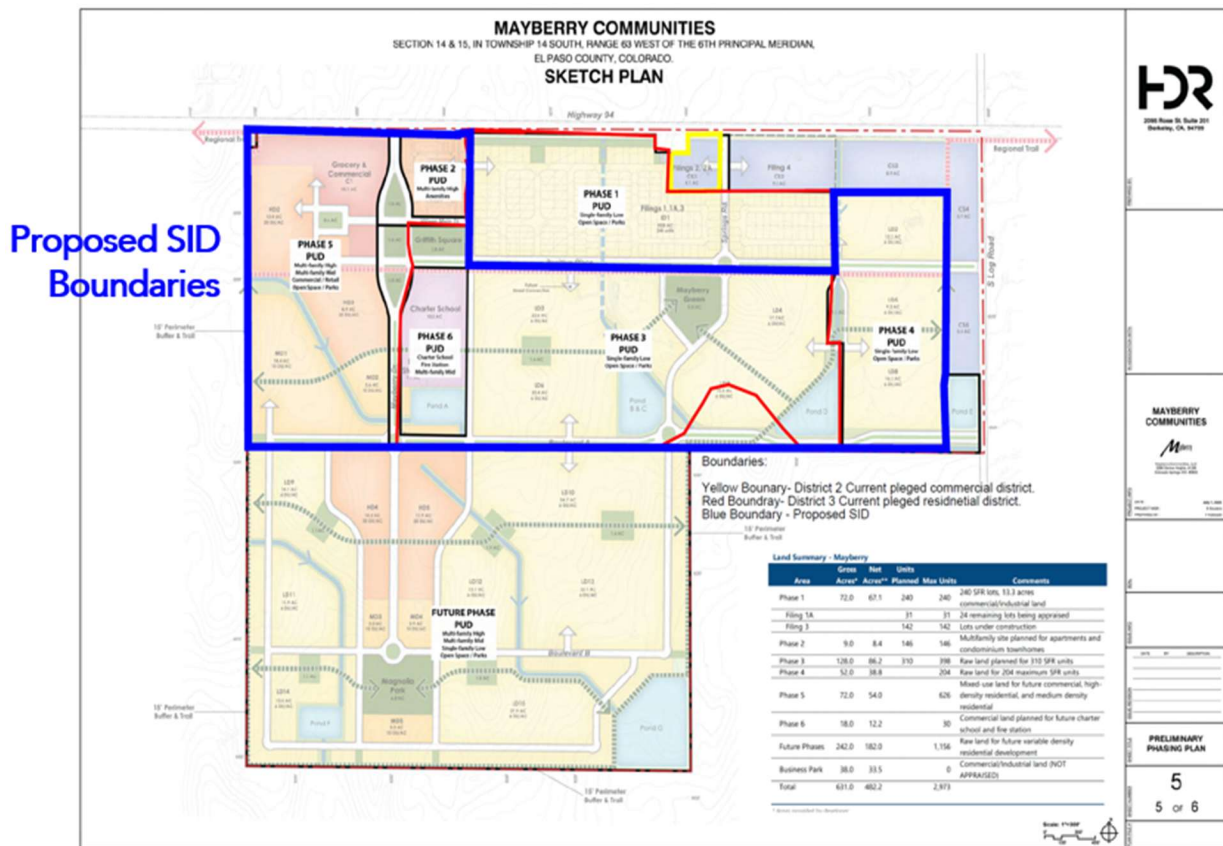
Valbridge Property Advisors | Denver/Front Range is pleased to present the following proposal. This letter, together with the attached Standard Terms and Conditions, will form our agreement for services regarding the subject property ("Agreement"). If this Agreement is acceptable, please sign the letter below, or have an authorized person affiliated with your organization sign. Please retain a copy for your records and return a signed copy to us, along with any specified retainer. We look forward to working with you on this assignment.

Specifications of the Appraisal

Client Name: Mayberry Communities, LLC ("Client")

Subject(s): Mayberry Communities,
CO-94 and South Log Road
Calhan, El Paso County, Colorado 80808

The client intends to create a special improvement district (SID) to include Phases 2-6 of Mayberry Communities as outlined in the map below.



Property Type: Master Planned Subdivision

Interest to be Valued: Fee Simple

If the property interest to be valued is a “leased fee,” the appraisal will not include any valuation of the property as if the lease(s) on the property are no longer in place (in a “go dark” status”), unless requested by Client and stated in this Agreement.

Intended Use: Internal decision-making purposes and marketing purposes

Intended User(s): Mayberry Communities, LLC only

The appraisal will be for sole use and benefit of the Client and identified intended user(s). No other users are intended or authorized, and no other parties should use or rely on the appraisal or any content in the appraisal report for any purpose without the written consent of Valbridge Property Advisors | Denver/Front Range. We acknowledge that the client intends to include the appraisal in an offering document that will be used to market publicly sold bonds. However, our work and relationship is exclusive to the client and under no circumstances shall we be required to discuss or answer any questions from prospective investors.

Type(s) of Value: Market Value

The definition of the type of value will be stated in the report. Valbridge Property Advisors | Denver/Front Range is not responsible for determining whether the type of value stated for this assignment is appropriate for Client’s intended use, as that determination may be a legal matter or the subject of Client’s internal requirements. An “as is” value is not a prediction of any future value or a representation of the price the property may be sold for in distress or foreclosure. If a different type of value is necessary, please inform us prior to executing this Agreement.

Date(s) of Value: Effective date of value: Current date

Valbridge Property Advisors | Denver/Front Range is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use, as that determination may be a legal matter.

Anticipated Scope of Work:

Valuation Approach(es):

All Necessary Approaches

Level of Inspection: Full interior and exterior tour

Hypothetical Conditions, Special/Extraordinary Assumptions:

Extraordinary Assumptions may be added if needed during development of the appraisal and, if applicable, will be disclosed in the report.

Report Option and Format:

Appraisal Report

If a written report is provided, we will furnish you with a PDF format only.

Delivery Date:

4 Weeks from Client's authorization to proceed.

Valbridge Property Advisors | Denver/Front Range will use its best efforts to deliver the appraisal report no later than such date. Delivery of the report is contingent on Valbridge Property Advisors | Denver/Front Range's timely receipt of information and documentation from Client and other parties, as well as access to the property if necessary for the scope of work. In the event of a delay, Valbridge Property Advisors | Denver/Front Range will inform Client as soon as reasonably practicable.

Prior Services Regarding Subject Property (USPAP Disclosure):

The undersigned has performed services, as an appraiser or in any other capacity, regarding the property that will be the subject of this report within the three-year period immediately preceding this agreement. A prior appraisal was completed in November 2023.

Appraisal Fee: **\$10,000**

Retainer: **\$5,000**

Payment Terms: Payment of 50% of the fee upon acceptance of this Agreement. Final payment for the remaining balance will be due and payable within 30 days of Client's receipt of the report.

If we are required by the client to prepare for court appearances, testimony, any third party tribunal hearings or depositions, other consultation time or any follow-up work is necessary, there will be an additional charge. In addition, should the client change the scope of the assignment after this contract has been executed, a change order charge will result. These additional charges will be on a per hour basis, at the following rates.

	Basic Billing Rate	Testimony Rate
Partners/Managing Directors	\$225 per hour	\$350 per hour
Senior Appraiser	\$175 per hour	\$275 per hour
Appraiser	\$125 per hour	N/A
Researcher	\$70 per hour	N/A

Send Payment To: Valbridge Property Advisors
 5345 Arapahoe Avenue, Suite 6
 Boulder CO 80303

Please reference the appraised property address with payment.

If ACH is preferred, please request instructions

Property Documentation.

Client agrees to provide accurate documentation and information as requested by Valbridge Property Advisors | Denver/Front Range to complete the appraisal. Delays in receipt of the documentation or in property access may result in Valbridge Property Advisors | Denver/Front Range being unable to deliver the appraisal report on the agreed-upon delivery date.

Information Request List

Basic Information:

- Current Listing Information, if listed
- Current Agreement To Purchase
- Boundary Survey or Site Plan
- Any Environmental Report(s)
- List and cost of major repairs/upgrades performed in the past 24 to 36 months

Proposed Construction/Capital Improvements:

- Construction Cost Breakdown
- Cost to Complete Construction
- Proposed Building Plans & Specifications
- Builder/Developer Contact Information
- List and cost, contractor bids, or budgets for any proposed additions or renovations

Improved Property:

- Building Plans and Specs
- Building Sketch / Drawing
- Gross Building / Net Rentable Areas
- Other

Income Producing Properties:

- Leasing Broker Contact Information
- Asking Rent for Vacant Spaces, if applicable
- Past 3-year operating statements
- Current Rent Roll
- Copies of all leases or lease abstracts

For Multi-Family Properties:

- Unit Mix with Rents and Unit Size
- Quoted Rents for each Unit Type
- Other Income
- 3-Year Historic Vacancy

Other Information:

- ☐
- ☐
- ☐

Any other information you think is important.

Please provide:

<i>Information/Data</i>	
Contact:	
Phone:	
E-Mail:	

<i>Property Inspection</i>	
Contact:	
Phone	
E-Mail	

Standard Terms and Conditions and Assumptions/Limiting Conditions.

The services performed under this Agreement will be subject to the attached Standard Terms and Conditions, which are incorporated into and form a material part of this Agreement. Each appraisal will also be subject to the assumptions and limiting conditions stated within the report.

The offer to provide the services described is valid for 7 business days from the date of this letter.

By: Bristol Realty Counselors of Colorado, Inc., d.b.a.
Valbridge Property Advisors | Denver/Front Range



Name: Matthew Awsumb, MAI

Title: Managing Director

Dated: February 18, 2025

Agreed and accepted on behalf of Client:

By:

Client Name:

Title:

Dated:

STANDARD TERMS AND CONDITIONS FOR SERVICES AGREEMENT

1. **“Personnel.”** When capitalized, the term “Personnel” refers to all employees, partners, owners, shareholders, members, officers, directors or independent contractors of the respective party.
2. **Responsibility for Services.** Valbridge Property Advisors | Denver/Front Range is solely responsible for the services provided under this Agreement and the work product of its appraisers. Valbridge Property Advisors | Denver/Front Range is an independently owned and operated franchisee member firm of Valbridge Property Advisors Franchising System, LLC, which is a subsidiary of Valbridge Property Advisors, Inc. (both collectively referred to below as “VPA”). VPA and its subsidiaries (including Valbridge Property Advisors Franchising System, LLC, Data Appraise Systems, LLC, and Valbridge Property Advisors Data Solutions, LLC) do not perform valuation services, are not being engaged to provide any services under this Agreement and have no responsibility concerning or liability for the services of Valbridge Property Advisors | Denver/Front Range or any appraisal or other work product.
3. **Appraisal Fee Changes.** The appraisal fee is based on an understanding of the assignment as outlined in the specifications for the appraisal. Changes in the scope of work or unanticipated matters concerning the property may result in a higher fee and will be billed at Valbridge Property Advisors | Denver/Front Range’s regular hourly rates. If Client places the assignment “on hold” and then reactivates the assignment, an additional charge may apply due to the inefficiency created. If Client cancels the assignment prior to completion, Client agrees to pay for Valbridge Property Advisors | Denver/Front Range’s costs and time incurred at its regular hourly rates prior to its receipt of written notice of such cancellation.
4. **Services Performed on an Hourly Basis.** If this assignment includes a provision for services performed on an hourly billing basis, the hourly rates for such services are subject to periodic adjustment to current rates. Valbridge Property Advisors | Denver/Front Range will provide 30 days’ notice to Client prior to any rate increases. If Client chooses not to consent to the increased rates, Client may terminate the Agreement by written notice effective when received by Valbridge Property Advisors | Denver/Front Range. If this assignment includes a provision for services performed on an hourly billing basis, Client acknowledges that Valbridge Property Advisors | Denver/Front Range has not committed to any total fee amount to be incurred by Client under this Agreement.
5. **Intended Users and Uses of Appraisal.** In accordance with applicable professional appraisal standards, each appraisal report will identify the client, any additional intended users, and the intended use(s) of the appraisal. Valbridge Property Advisors | Denver/Front Range shall have no responsibility, obligation or liability to any party who is not identified as the client or as an additional intended user in the appraisal report or for any uses of an appraisal that are not identified in the report. Any party who is not the client or an intended user is not entitled to use or rely on the appraisal without the express written consent of Valbridge Property Advisors | Denver/Front Range,

notwithstanding that such a party may receive a copy of the report for compliance or informational purposes.

6. **Independence of Appraisal Services.** The services performed under this Agreement will be delivered in a manner that is independent, impartial and objective. Valbridge Property Advisors | [office]’s fees and Client’s obligation to pay are not contingent on the value of the property, any other assignment results, the funding of any loan, or the outcome of any dispute or litigation. Any opinions expressed about the potential outcome of a matter or case are not guarantees of the outcome.
7. **Confidentiality.** Valbridge Property Advisors | Denver/Front Range and its Personnel will comply with all confidentiality duties imposed by applicable law and professional standards. Client agrees that Valbridge Property Advisors | Denver/Front Range may disclose the appraisal report, assignment results and other information relating to an appraisal, including information which may be considered confidential under applicable professional standards, to third parties as required by law or as necessary for compliance with professional standards. Client further consents to and authorizes Valbridge Property Advisors | Denver/Front Range to disclose the appraisal report, assignment results and other information relating to an appraisal, including information which may be considered confidential under applicable professional standards, as reasonably necessary to defending or responding to threatened or actual legal or regulatory actions or for insurance coverage of such matters.
8. **Testimony in Court or Other Proceedings.** Unless otherwise stated in this Agreement, Client agrees that Valbridge Property Advisors | [office]’s engagement under this Agreement does not include Valbridge Property Advisors | [office]’s or its Personnel’s participation in or preparation for any oral or written testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment. Client will not designate or disclose Valbridge Property Advisors | Denver/Front Range or any of its Personnel as an expert witness in any court, arbitration or other proceeding without the prior written consent of Valbridge Property Advisors | [office].
9. **Subpoenas and Testimony.** In the event that Valbridge Property Advisors | Denver/Front Range or any of its Personnel is compelled by subpoena or other legal or administrative process to provide testimony or produce documents relating to the appraisal or services under this Agreement, whether in court, deposition, arbitration or any other proceeding, Valbridge Property Advisors | Denver/Front Range shall provide notice thereof to Client and Client agrees that Valbridge Property Advisors | Denver/Front Range or any of its Personnel may disclose such information as required to comply with such process and to compensate Valbridge Property Advisors | Denver/Front Range for the reasonable time incurred in connection with preparation for and provision of such testimony and/or documents at Valbridge Property Advisors | [office]’s rates in effect at that time and reimburse its reasonable actual expenses.
10. **Withdrawal Prior to Completion.** Valbridge Property Advisors | Denver/Front Range may terminate its rendition of services for the assignment(s) contemplated under this Agreement and withdraw

without penalty or liability before completion or reporting of the appraisal in the event that it determines, at its sole discretion, that incomplete information was provided to Valbridge Property Advisors | Denver/Front Range prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to Valbridge Property Advisors | [office]'s analysis or reporting, that conditions of the subject property render the original anticipated scope of work inappropriate, that Valbridge Property Advisors | Denver/Front Range becomes aware that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement.

11. **Third-Party Beneficiaries of Agreement.** The Personnel of Valbridge Property Advisors | [office], VPA, its subsidiaries and their Personnel, and each franchisee and licensee of VPA assisting or providing any services in connection with the services to be provided under this Agreement and each of such franchisee's and licensee's Personnel (each a "**Third-Party Beneficiary**") shall each be an express third-party beneficiary of this Agreement and entitled to all of the rights and protections of and applicable to Valbridge Property Advisors | [office], and the limitations applicable to the Client, set forth herein (including, without limitation, the provisions regarding Intended Users and Uses of Appraisal, Maximum Time Period for Legal Actions, Mutual Limitations of Liability, Indemnification, Subpoenas and Testimony, Unauthorized Use or Publication, No Responsibility for Certain Conditions and Arbitration). Without limiting the foregoing, although VPA and its subsidiaries will provide no services under this Agreement, in the event of any legal claim or dispute, the following protections and limitations shall apply for the benefit of each Third-Party Beneficiary: Responsibility for Services, Intended Users and Uses of Appraisal, Maximum Time Period for Legal Actions, Mutual Limitations of Liability, Indemnification, Subpoenas and Testimony, No Responsibility for Certain Conditions and Arbitration, and no waiver, modification or amendment of such provisions shall apply to any Third-Party Beneficiary, unless such waiver, modification or amendment is in writing and executed by such Third-Party Beneficiary. There are no other third-party beneficiaries of this Agreement or the services performed under this Agreement.
12. **No Unauthorized Use or Publication.** No part of an appraisal report or the opinions or conclusions stated in a report may be published or used in any advertising materials, property listings, investment offerings or prospectuses, or securities filings or statements without Valbridge Property Advisors | Denver/Front Range's prior written authorization. If Client publishes or uses the report or Valbridge Property Advisors | Denver/Front Range's work product without such authorization or provides the report or other work product for unauthorized use or publication, Client agrees to indemnify and hold Valbridge Property Advisors | Denver/Front Range and its Personnel harmless from and against all damages, liabilities, losses, causes of actions, expenses, claims and costs, including attorneys' fees, incurred in the investigation and/or defense of any claim arising from or in any way connected to the unauthorized use or publication.
13. **No Responsibility for Certain Conditions.** Notwithstanding that a report may comment on, analyze or assume certain conditions, unless otherwise stated in the report, Valbridge Property Advisors | Denver/Front Range and its Personnel shall have no responsibility for investigating and shall have

no responsibility or liability for matters pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) flood zones, earthquake zones, surveys, property lines or boundaries pertaining to the property; (c) the property's compliance with local, state or federal zoning, planning, building, occupancy permits, disability access, life safety and environmental laws, regulations and standards; (d) building permits and planning approvals for improvements on the property; (e) structural or mechanical soundness or safety; (f) contamination, mold, pollution, asbestos, storage tanks, subsoil conditions, animal or vermin infestations and hazardous conditions affecting the property; and (f) other conditions and matters for which real estate appraisers are not customarily deemed to have professional expertise. Unless otherwise noted, the appraisal will value the property as though free of pollution, hazardous materials or other contamination of any kind. Valbridge Property Advisors | Denver/Front Range will conduct no hazardous materials or contamination inspection of any kind.

14. **Maximum Time Period for Claims and Proceedings.** Unless the time period is shorter under applicable law and except for claims for indemnification pursuant to Section 19, each claim, cause of action, or other proceeding concerning or relating to this Agreement, or the services or the results of the services provided hereunder (each being a “**Claim**”) between Client and Valbridge Property Advisors | Denver/Front Range shall be filed (whether in court or in an applicable arbitration tribunal), within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall: (a) not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages, and (b) apply to all non-criminal claims or causes of action of any type, except for intentional fraud or intentionally wrongful conduct.
15. **Mutual Limitations of Liability.** Professional standards for the performance of real estate appraisals require that appraisers perform their services independently, impartially, and objectively. Clients and other users of appraisals often have separate legal or regulatory obligations imposed on them in relation to the appraisal process. The provisions of this section are designed to assure that an appraiser can render appraisal services in compliance with professional standards for reasonable compensation and to assure that clients and users can comply freely with their own professional and legal obligations, and any modifications hereof must be in writing and signed by the parties.
- a. **Limitations of Liability.** To the fullest extent permitted by applicable law, the maximum liability of Valbridge Property Advisors | Denver/Front Range and its Personnel to Client or to any third-party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by Appraiser) and of Client to Valbridge Property Advisors | Denver/Front Range for any Claim shall be limited to the total compensation actually paid to Valbridge Property Advisors | Denver/Front Range for the appraisal or other services that are the subject of the Claim.
- This limitation of liability extends to all types of Claims, whether in contract or tort, but excludes: (i) claims/causes of action for intentionally fraudulent or criminal conduct,

intentionally caused injury, or unauthorized use or publication of the appraisal or work product or (ii) claims/causes of action by Valbridge Property Advisors | Denver/Front Range for the collection of unpaid compensation for the appraisal or other services (for which the maximum recovery shall be the total amount unpaid and owing to Valbridge Property Advisors | [office], plus applicable interest and late charges), or (iii) claims, causes of action, or other proceedings by Valbridge Property Advisors | Denver/Front Range or its Personnel against Client in accordance with Section 19 (each an “Indemnification Claim”), or for publication of any report other than as may be expressly permitted by this Agreement (each a “Publication Claim”).

- b. **No Special or Consequential Damages.** Except in the case of an Indemnification Claim or a Publication Claim, neither Valbridge Property Advisors | Denver/Front Range/its Personnel nor Client shall be liable to one another or to any third party (regardless of whether such party’s claimed use or reliance on the appraisal was authorized by Appraiser) claiming by or through any of them or as a result of an appraisal or the matters set forth in this Agreement for special or consequential damages, including, without limitation, loss of profits, prospective business opportunities, or damages caused by loss of use of any property, regardless of whether arising from negligence or a breach of this Agreement or otherwise, and regardless of whether a party was advised or knew of the possibility of such damages.
- c. **Application to Other Parties.** The limitations of liability in this section shall also apply to Claims against a Third-Party Beneficiary.

- 16. **No Assignment of Claims.** No rights under this Agreement and no Claim may be assigned by any party, except: (i) if set forth in the scope of services or (ii) with regard to the collection of a bona fide existing debt for payment for the services.
- 17. **Internal Compliance Reviews.** The appraisal or other work product and files may be disclosed to and subject to evaluation by Valbridge Property Advisors, Inc. for internal compliance purposes. Such evaluations do not establish any responsibility to Client or any other parties. Client consents to disclosure of information relating to the appraisal for that purpose.
- 18. **Arbitration.** Except for the Claims described hereinbelow, each Claim shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be a mutually agreed location within the state in which the subject property is located. This arbitration requirement shall not apply to any Indemnification Claim, Publication Claim, or any Claim for monetary damages under \$5,000, or for collection of amounts due pursuant to this Agreement and not timely or fully paid.
- 19. **Indemnification.** Client will defend, indemnify and hold and its Personnel (each being an “Indemnified Party”) harmless from and against any liabilities, damages, obligations, costs, and expenses (including attorneys’ fees) arising out of or suffered by an Indemnified Party from or in connection with any claim, cause of action, or other proceeding brought by a third party (a “Third-Party Action”) where such Third-Party Action arises in connection with, results from, or is based in

whole or in part upon: (a) publication of the appraisal report or all or any part of its content in a manner inconsistent with the terms of this Agreement, (b) use or reliance on the appraisal by a person, entity, or association not identified as an intended user, unless Valbridge Property Advisors | Denver/Front Range has consented in writing to adding such person as an intended user, (c) Client's provision of inaccurate information or documentation, (d) Client's provision of an incomplete copy of the appraisal report to any person, entity, or association, or (e) Client's use or provision of the appraisal for a purpose other than its identified intended use.

20. **Governing Law and Jurisdiction.** This Agreement and each Claim shall be governed by the law of the state in which Valbridge Property Advisors | Denver/Front Range's office performing the assignment is located, exclusive of that state's choice of law rules. Client and Valbridge Property Advisors | Denver/Front Range agree that, except for Indemnification Claims and Publication Claims, each Claim and each legal proceeding to enforce an arbitration award entered pursuant to the arbitration provision of this Agreement, shall be brought in a state or federal court having jurisdiction over the location of the Valbridge Property Advisors | [office]'s office performing the assignment, and the parties hereby waive any objections to the personal jurisdiction or venue of such court.
21. **Severability.** If any provision of this Agreement is held, in whole or part, to be void, unenforceable, or invalid for any reason, the remainder of that provision and the remainder of the entire Agreement shall be severable and remain in full force and effect.
22. **Execution of Agreement.** Execution of this Agreement and delivery of an executed copy by any party by electronic means will be as effective as delivery of a manually executed copy by such party. In the event that any or all off services described in this Agreement are performed at Client's request or direction, but prior to or without Client's execution of the Agreement, the terms and conditions of this Agreement, including Client's obligation to pay, shall still apply.
23. **Entire Agreement and Modifications.** This Agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This Agreement may only be modified by a subsequent agreement of the parties in writing signed by all the parties.
24. **Survival.** Sections 2, 5 through 10, and 12 through 23 of these Terms and Conditions shall survive and continue to be applicable after completion of the services described herein.



VIA E-MAIL

February 12, 2025

Mayberry Community Authority Board
c/o The Gardner Law Office
1160 Lake Plaza Drive, Suite 102
Colorado Springs, CO 80906

PROPOSAL FOR SPECIAL IMPROVEMENT DISTRICT BENEFIT STUDY

The purpose of this letter is to confirm the scope of services The Connexion Group, LLC will provide to the Mayberry Community Authority Board (the "Authority") and set forth certain details related to our services. We appreciate the opportunity to submit this proposal, and we look forward to working with the Authority.

The Authority is authorized to establish a special improvement district within the boundaries of the Authority to finance any improvements that the Authority is authorized to finance, and to levy assessments against the property within the special improvement district for the costs of such improvements. The Authority has created a special improvement district to issue corresponding special assessment bonds as a bridge financing mechanism. The Authority wishes to engage a professional engineer licensed in the State of Colorado and independent of the Developer to provide an unbiased benefit study to assist in the issuance of bonds for the special improvement district and to ensure the public interest is served. The Authority has requested proposals for the completion of a benefit study and intends to make selection of the consultant based on competency, qualifications, and experience to provide the engineering services needed.

PROPOSED SCOPE OF SERVICE

Benefit Study – The Connexion Group will prepare a report showing the anticipated costs of the public improvements proposed for construction and recommend the proposed allocation of the costs among the lands and lots located within the Authority. The report will contain our opinion regarding the eligibility of the improvements proposed for SID funding and that such improvement costs are more than the amount proposed for financing. Our report will contain numerous limiting conditions and assumptions which are requisite to the conclusions reached. The anticipated analysis limitations and assumptions are included in Attachment A. With the acceptance of this proposal, the Authority approves The Connexion Group to complete these services and has read, understood, and agreed to the assumptions included in Attachment A. Our services may be performed by any professional engineer at The Connexion Group who may also use other staff as we see fit to provide the highest possible level of service and prevent delays.

COMPENSATION SCHEDULE & PAYMENT TERMS

The Fee for the services described herein will be a lump sum of **\$20,000.00**. Payment will be made to The Connexion Group on or after the day of bond closing as part of the cost of issuance. Should the assignment be terminated or if the bonds do not close within 120 days of our report delivery, the Authority agrees to pay for our time at an hourly rate of \$175 and costs incurred prior to our receipt of written notice of cancelation. In such event, The Connexion Group will promptly provide an invoice to the Authority and payment will be due within thirty (30) days.

MISCELLANEOUS

Authority agrees to allow The Connexion Group to use images and names of the Authority and Development for marketing purposes unless agreed otherwise. The Authority understands that the services we may perform require certain documents to provide an opinion report. The Authority agrees to make their best efforts to provide these documents in a timely manner.

Thank you for your consideration,



Barrett Marrocco, PE
Principal

ATTACHMENT A: ANTICIPATED PROCEDURE & REPORT ASSUMPTIONS

Anticipated Procedure – This procedure was developed for the Engineer to obtain an understanding of the project, its related costs, and to enable the Engineer to express an informed opinion regarding the same. The Engineer will follow this process to conclude in the Engineers professional opinion if financing the improvements through the Authority will be in the best interests of the area proposed to be served and is reasonable.

1. The Engineer will review the development agreement, preliminary construction drawings, the final plat, contractor bids, and other third-party reports to obtain an understanding of the project.
2. The Engineer will develop a cost estimate for the anticipated improvements.
3. The Engineer will review the market study to confirm it generally reflected the proposed improvements in an accurate manner and that the build-out schedule is reasonable
4. The Engineer will allocate the anticipated total assessment to be levied against the Development to each lot, based on the benefit conferred upon each lot from the improvements.
5. The Engineer will provide the report to the Authority and Developer for review and confirmation that the Engineers understanding is accurate to the best of their knowledge.

Analysis Limitations & Assumptions – Below is a list of analysis limitations and assumed assumptions that will be used to complete the report. This list may not be comprehensive of all limitations or assumptions necessary to complete the report.

- The procedure is intentionally simplistic to provide a streamlined process that is understandable by the public while delivering our service with heightened cost-efficiency. Different review methodology may result in variations of the costs presented.
- Any projections or forecasts included in the report are speculative in nature and subject to uncertainties. Actual results may differ materially from those projected. The Engineer is not responsible for unforeseeable events, such as unanticipated changes in economic conditions, or any other such events which might occur, and which would alter market conditions prior to the date of the report.
- The conclusions presented in the report are based on assumptions that may change over time. Variability in market conditions, regulatory changes, and other factors could significantly impact the benefits realized from the development. The benefits to be outlined will be estimates based on current data and assumptions. The estimate assumes responsible ownership and competent management.
- The Engineer will assume documentation provided by the working group is true and correct. The Engineer will exercise professional judgement and maintained professional skepticism throughout the process.
- The Engineer will rely on the design engineer to confirm the facility and service standards are compatible with facility and service standards of any county within which all or any portion of the SID is to be located, and of municipalities and service providers which are interested parties. No survey of the property will be made.
- The Engineer will rely on the market analysis or appraisal to provide reasonable evaluations of the undeveloped and developed lots. The Engineer will not compare the values presented to other developments or properties.
- The Engineer will not verify if other relevant agreements pertaining to the Development exist.
- Individual improvement allocation can vary based on methodology and opinion.
- The Engineer will not verify if all requirements of the Authority or its consultants have been met to issue debt.
- This report will be prepared for a specific purpose. Users of the report for purposes other than those outlined are advised to seek professional guidance tailored to their specific circumstances.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such.
- The Engineer will not be required to give testimony or appear in court because of having made the report, with reference to the property in question, unless previous arrangements have been made.
- The Engineer's allocation of costs will be based on the current lot layout. In the event of the creation of any new Lots within the SID as the result of any subdivision, re-subdivision, vacation of right-of-way, or other action taken, the Authority shall take such actions as may be necessary to reapportion the assessment among all Lots then remaining in an appropriate manner.