

February 2, 2023

Board of Directors
Ridge at Sand Creek Metropolitan District
212 N. Wahsatch Avenue, Suite 301
Colorado Springs, CO 80903

Re: Revised Recommendation for Reimbursement for Public Improvement Costs
The Ridge at Sand Creek Filing No. 1, City of Colorado Springs, Colorado

Dear Board of Directors:

I have been provided documentation from the Developer's representatives for The Ridge at Sand Creek Filing No. 1, covering costs incurred in connection with construction of public improvements. The documentation was provided for my evaluation pursuant to obtaining a partial reimbursement by The Ridge at Sand Creek Metropolitan District for public improvement costs.

Included in the documents that were provided for our review were: construction plans of District infrastructure improvements, final plat, request for payment summaries and cost spreadsheets for District and Non-District items.

It is possible that my recommendations for reimbursement may upon subsequent review by District legal counsel, bonding counsel, and / or District accountants, be revised or amended. The recommendations herein, address costs for infrastructure construction by multiple contractors and vendors.

As a basis for preparing this letter, we have reviewed the District's Service Plan, construction plans; made a site visit to confirm that the construction has been completed commensurate with the costs for which reimbursement is being requested.

District Service Plan

Infrastructure facilities included in the District's Service Plan are provided for as reimbursable costs for those facilities generally identified as follows:

- Streets, Drainage/Stormwater Facilities, Traffic and Safety
- Water
- Sewer (Sanitary)
- Parks & Recreation, Trails & Landscaping

- Site Work & Demolition, Earthwork

The elements to be constructed in this project were confirmed to be in compliance with the above-listed District's Service Plan categories.

Review Methodology

The methodology that was used in reaching conclusions as to our recommendations for reimbursement generally followed the outline below:

- Review Service Plan for included infrastructure
- Review construction costs for consistency with prevailing costs in the area
- Make site visit

Relevant Project Information

- The Ridge at Sand Creek Filing No. 1 is a 19.18 acre, 90 lot residential subdivision located in the middle part of the City of Colorado Springs, Colorado. The district service plan indicated that approximately 225 people will live within this subdivision at build-out.
- Construction plans and the final plat for this project were developed by M & S Civil Consultants. The associated plans are Sewer/Water (March, 2020), Streets (April, 2020), Grading (March, 2020), Plat (July 30, 2020).
- Bids were solicited by Tralon Homes, LLC based on the approved construction documents prepared by M&S Civil Consultants. After evaluating the bids, numerous contractors were selected for the construction work. Instead of selecting one overall general contractor it was decided bid pricing would be lower if the construction work was divided into several parts and having contractors bid on work they specialized in. The work was separated into bid packages including grading, utilities, curb/gutter, streets/safety, landscaping, materials testing engineering, construction staking, and erosion control.

Findings

Pursuant to the above methodology to the following findings were confirmed.

- The costs were spent on public infrastructure and facilities as qualified by the District Service Plan
- The improvements have been installed per site visit on July 7, 2022.
- The costs are reasonable and consistent with the prevailing costs in the area

Reduction for Lot Grading

The District does not reimburse costs associated with the private development portions of the project to include dry utilities, grading outside street rights-of-way, etc. A review of the earthwork area was reviewed for the project and it is estimated that the percentage of grading costs is proportioned at 50 percent to streets and drainage (public portion) and 50 percent to lots (private portion). Therefore, the total cost of grading has been reduced to account for the grading work that was associated with the private portion of the project.

Reduction for Soft Cost/Engineering

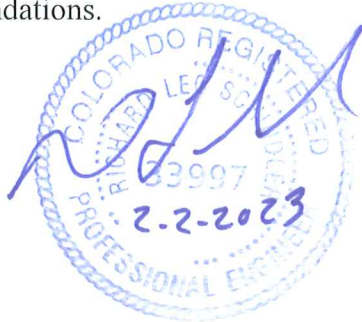
The District has revised some of the soft costs/engineering to non-district costs on a 50% allocation basis to non-district costs. See spreadsheet for specific reductions.

Recommendation

To the best of my knowledge, and belief, the services rendered for the costs as listed on the attached spreadsheet are appropriate as District expenses and are consistent with those specified in the Service Plan. In my opinion, the costs are competitive with current pricing for similar services in the Colorado area. Accordingly, we recommend that the Board of Directors of The Ridge at Sand Creek Metropolitan District consistent with its rules and regulations, reimburse Tralon Homes, LLC reimbursement in the amount up to \$2,590,525.81

We are available to answer any questions that might arise in connection with these reimbursement recommendations.

Sincerely,

A circular blue ink seal for a Colorado Registered Professional Engineer. The seal contains the text "COLORADO REGISTERED PROFESSIONAL ENGINEER" around the perimeter. In the center, the name "RICHARD L. SCHINDLER" and the number "03997" are visible. A handwritten signature in blue ink is written over the seal, and the date "2-2-2023" is handwritten in blue ink at the bottom of the seal.

Richard L. Schindler, P.E.
On behalf of Core Engineering Group, LLC

