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Colorado Springs, CO 80903
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October 1, 2018

Board of Directors
Mountain Valley Preserve Metropolitan District No. 1
212 N. Wahsatch Avenue, Suite 301
Colorado Springs, CO 80903

Re: Recommendation for Reimbursement for Public Improvement Costs
Mountain Valley Preserve Subdivision, City of Colorado Springs, Colorado

Dear Board of Directors:

I have been provided documentation from the Developer's representatives for Mountain Valley Preserve Subdivision, covering costs incurred in connection with construction of public improvements. The documentation was provided for my evaluation pursuant to obtaining reimbursement by The Mountain Valley Preserve 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, Consolidated Service Plan, Phasing Plan, Request for Payment summaries and cost spreadsheets for District, Non-District and Regional 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, Traffic and Safety
- Water, Non-Potable Water (Raw Water)
- Sewer (Sanitary)
- Parks & Recreation, Trails & Landscaping
- Site Work & Demolition, Earthwork

The elements constructed in the completed 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

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 September 10, 2018.
- 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.

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 Mountain Valley Preserve Metropolitan District consistent with its rules and regulations, reimburse Eagle Development Company the amount of \$4,208,591.73 for the construction / services as itemized on the attached spreadsheet.

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

Sincerely,



Virgil A. Sanchez, P.E.

On behalf of M&S Civil Consultants, Inc.