

**MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)  
REGULAR MEETING AGENDA**

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Butch Gabrielski	President	May 2023
Wayne Reorda	Secretary/Treasurer	May 2025
Bill Gessner	Asst. Secretary/Treasurer	May 2023
Mike Fenton	Asst. Secretary/Treasurer	May 2023
Robert Guevara	Asst. Secretary/Treasurer	May 2025

**DATE:** Wednesday, September 14, 2022  
**TIME:** 10:00 a.m.  
**PLACE:** Meridian Ranch Recreation Center  
10301 Angeles Road  
Peyton, CO 80831

**The Public may participate in person or by following this link [Click here to join the meeting](#) or by telephone by calling +1 872-242-8662 and using Phone Conference ID: 186412060#**

**I. ADMINISTRATIVE ITEMS:**

- A. Call to Order
- B. Conflicts of Interest
- C. Approve Agenda
- D. Visitor Comments (Limited to 3 minutes per resident or household)
- E. Review and Approve August 3, 2022, Regular Board Meeting Minutes (enclosure) **Page 2**

**II. FINANCIAL ITEMS:**

- A. Review, Ratify and Approve Monthly Payment of Claims (enclosure and/or distributed under separate cover) **Page 5**

**III. Action Items:**

- A. Ratify Agreement with Zonda for Market Analysis relating to proposed 2022 MRMD 2018 Subdistrict Bond Issuance. **Page 7**
- B. Consider and Approve Engagement Letter for Sherman and Howard to act as Bond Counsel for proposed 2022 MRMD 2018 Subdistrict Bond Issuance. **Page 21**
- C. Consider and Approve request to have funds released to GTL Development for repayment of developer advances and to accept the GTL offer to reduce the outstanding interest by the same amount. **Page28**

**IV. DEVELOPER ITEMS:**

- A. Verbal Report from Construction Manager

**V. DIRECTOR ITEMS:**

**VI. LEGAL ITEMS:**

**VII. ADJOURNMENT:**

**The next regular meeting of the Board is scheduled for Wednesday, October 5, 2022, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.**

# RECORD OF PROCEEDINGS

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**MINUTES OF THE REGULAR MEETING  
OF THE BOARDS OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)**

**Held:** August 3, 2022, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

**Attendance:** The following Directors were in attendance:

Wayne Reorda, Secretary/Treasurer  
Bill Gessner, Asst. Secretary/Treasurer  
Mike Fenton, Asst. Secretary/Treasurer  
Robert Guevara, Asst. Secretary/Treasurer

The following Directors were excused:

Butch Gabrielski, President

Also present were:

Jim Nikkel; Meridian Service Metro District  
Jennette Coe; Meridian Service Metro District  
Beth Aldrich; Meridian Service Metro District  
Braden McCrory; Meridian Service Metro District  
Ryan Kozlowski; Meridian Service Metro District  
Aleks Myszkowski; Meridian Service Metro District  
Eileen Krauth; Meridian Service Metro District (via teleconference)  
Carrie Billingsly; Meridian Service Metro District (via teleconference)  
Debra Williams; Meridian Service Metro District (via teleconference)  
Katya Arcia; CRS (via teleconference)  
Ron Fano; Spencer Fane  
Tom Kerby; Tech Builders  
Zack Bishop; Piper Sandler  
Matt Chorske; Piper Sandler (via teleconference)  
Mike Sullivan; Piper Sandler  
Tom Sauer; Resident  
Judy Taylor; Resident  
Henry Taylor; Resident

**Call to Order** A quorum of the Board was present, and the Directors confirmed their qualification to serve. The meeting was called to order at 10:00 a.m. A motion was made to excuse the absence of Director Gabrielski. The motion was seconded and approved by majority vote of Directors present.

## RECORD OF PROCEEDINGS

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**Disclosure Matter** Mr. Fano noted that written disclosures of the interests of all Directors have been filed with the Secretary of State.

**Approve Agenda** The Board reviewed the Agenda. A motion was made to approve the agenda. The motion was seconded and approved by unanimous vote of directors present.

**Visitor Comments** There were none.

**Approve Minutes** The Board reviewed the July 13, 2022, Board Minutes and a motion was made, and seconded to approve the minutes as presented. The motion was approved by unanimous vote of directors present.

**Financial Items** Presentation of Potential Bonding Options for District Improvements by Zach Bishop, Matt Chorske, and Mike Sullivan of Piper Sandler: The Piper Sandler representatives gave a presentation of potential bonding options for District improvements. After a discussion, a motion was made and seconded to have Mr. Nikkel work with Piper Sandler to start the process on the 20 mills plan with the option to change or cancel in the future. The motion was approved by unanimous vote of Directors present.

Receive from CRS the Quarterly MRMD Cash Position Summary and Unaudited financial Statements: Ms. Arcia reviewed the cash position summary and quarterly financial reports for second quarter. A motion was made and seconded to accept the cash position summary and the quarterly financial statements as presented. The motion was approved by unanimous vote of Directors present.

Approval of Payment of Claims: Ms. Arcia reviewed the updated claims presented for approval at this meeting represented by check numbers:

MRMD: 02366-02371 totaling \$2,234.29

A motion was made and seconded to approve the MRMD payment of claims. The motion was approved by unanimous vote of Directors present.

Conduct Public Hearing on Proposed 2021 MRMD Budget Amendment: A motion was made and seconded to open a public hearing. The motion was approved by unanimous vote of Directors present.

There were no comments from the public.

A motion was made and seconded to close the public hearing. The motion was approved by unanimous vote of Directors present.

## RECORD OF PROCEEDINGS

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Adopt Resolution MRMD 22-01 Amending MRMD 2021 Budget: A motion was made and seconded to adopt Resolution MRMD 22-01 amending the MRMD 2021 budget. The motion was approved by unanimous vote of Directors present.

### Developer Items

Mr. Guzman provided a verbal report to the Board on the status of Meridian Ranch development activities:

- In Rolling Hills Ranch III, building is ongoing on 209 lots. The neighborhood has been paved and should be finished by year end.
- Grading on the Rex Road extension is in process.
- Cleanup from the recent storm has gone well. The builders as well as the Metro District are doing a great job getting things cleaned up.

### Director Items

Existing Bond Document review and Questions: Mr. Fano asked the Board if there were any questions regarding the existing bond document that had not been answered during the Piper Sandler presentation. The Board replied that all questions had been answered.

### Legal Items

There were none.

### Adjournment

There being no further business to come before the Board, the President adjourned the meeting at 11:09 a.m.

The next regular meeting of the Boards is scheduled for September 14, 2022 at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

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Secretary for the Meeting

Ranges: From: To:  
 Check Number First Last  
 Vendor ID First Last  
 Vendor Name First Last  
 Check Date 8/31/2022  
 Checkbook ID First Last

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
* 02373	FENTON	Michael J Fenton	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
* 02374	GUEVARA ROBERT	Robert Guevara	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
* 02375	REORDA	Wayne Reorda	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
* 02376	GESSNER	William Gessner	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
* 02377	CRS	CRS of Colorado	8/31/2022	WF CHECKING	PMCHK00000285	\$2,804.00
* 02378	SPENCERFANEBRIT	Spencer Fane LLP	8/31/2022	WF CHECKING	PMCHK00000285	\$378.00
02379	FENTON	Michael J Fenton	9/14/2022	WF CHECKING	PMCHK00000286	\$92.35
* 02379	FENTON	Michael J Fenton	9/14/2022	WF CHECKING	PMCHK00000286	\$92.35
02380	REORDA	Wayne Reorda	9/14/2022	WF CHECKING	PMCHK00000286	\$92.35
* 02380	REORDA	Wayne Reorda	9/14/2022	WF CHECKING	PMCHK00000286	\$92.35
02381	GESSNER	William Gessner	9/14/2022	WF CHECKING	PMCHK00000286	\$92.35
* 02381	GESSNER	William Gessner	9/14/2022	WF CHECKING	PMCHK00000286	\$92.35
02382	CRS	CRS of Colorado	9/14/2022	WF CHECKING	PMCHK00000287	\$2,804.00
02383	SPENCERFANEBRIT	Spencer Fane LLP	9/14/2022	WF CHECKING	PMCHK00000287	\$378.00

Total Checks: 14  
 Total Amount of Checks: \$3,459.05  
 =====

Ranges:	From:	To:	From:	To:
Check Number	02373	02378	Check Date	First
Vendor ID	First	Last	Checkbook ID	First
Vendor Name	First	Last		Last

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
02373	FENTON	Michael J Fenton	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
02374	GUEVARA ROBERT	Robert Guevara	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
02375	REORDA	Wayne Reorda	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
02376	GESSNER	William Gessner	8/31/2022	WF CHECKING	PMCHK00000284	\$92.35
02377	CRS	CRS of Colorado	8/31/2022	WF CHECKING	PMCHK00000285	\$2,804.00
02378	SPENCERFANEBRIT	Spencer Fane LLP	8/31/2022	WF CHECKING	PMCHK00000285	\$378.00
Total Checks: 6						
					Total Amount of Checks:	\$3,551.40

August 17, 2022

**CONFIDENTIAL**

**Meridian Ranch Metropolitan District 2018 Sub District**

C/o Meridian Service Metropolitan District

Mr. Raul Guzman (619) 223-1663

Mr. Jim Nikkel (719) 495-6567

11886 Stapleton Drive  
Falcon, Colorado 80831

Sent via email: Mr. Raul Guzman:  
Mr. Jim Nikkel:

[raul@techbilt.com](mailto:raul@techbilt.com)  
[j.nikkel@meridianservice.com](mailto:j.nikkel@meridianservice.com)

Cc: Mr. Zach Bishop, Piper Sandler & Co.:  
Mr. Mike Sullivan, Piper Sandler & Co.:  
Ms. Aly Blossom, Piper Sandler & Co.:  
Mr. Simon Egerton, Piper Sandler & Co.:

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[simon.egerton@psc.com](mailto:simon.egerton@psc.com)

**Subject: Meridian Ranch Metropolitan District 2018 Sub District Market Study and Competitive Market Area Analysis within the unincorporated Falcon-Peyton area of northeast El Paso County, Colorado**

Dear Metropolitan District Representative(s),

Zonda Advisory, a Delaware limited liability company ("Zonda Advisory" or "we"), is pleased to present this agreement (this "Agreement") to provide quantitative real estate research services (this "Agreement") to Meridian Ranch Metropolitan District 2018 Sub District ("Client," or "you").

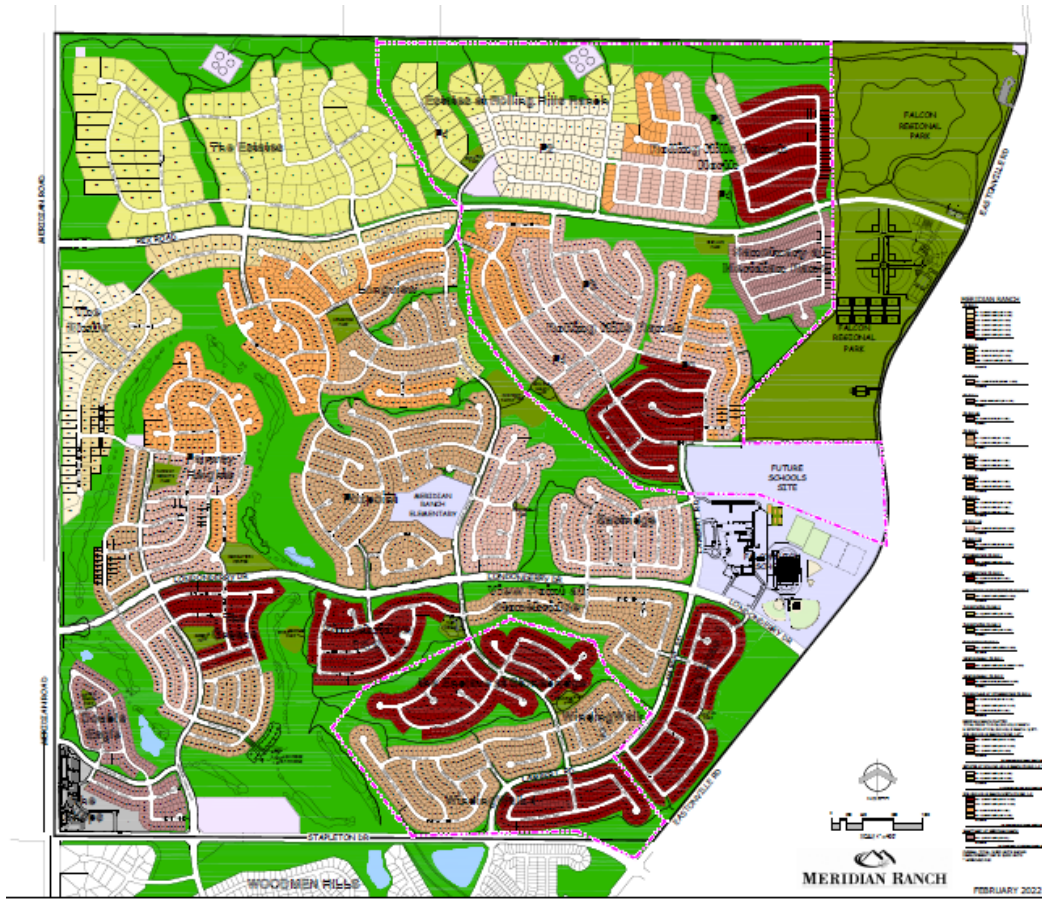
This Agreement contains seven sections:

1. Background and Objectives
2. Scope of Work
3. Deliverables and Timing
4. Experience
5. Fee Requirements
6. Terms and Conditions
7. Acceptance

**1. BACKGROUND AND OBJECTIVE**

The goal of this research is to provide the Client with an assessment of the competitive position of the actively-selling and future planned parcels in the District for the Meridian Ranch community, within the context of the local housing market, home prices by product segment, and a build-out model forecast of home absorption over time.

Zonda Advisory will evaluate the proposed residential program for the Subject Property ("the District") within the community, focused specifically on the District's anticipated total of 2,237 for-sale single-family detached homes, within the following program:



Note: Information provided by the District as of 08/08/2022, 08/10/2022, and 8/17/2022.



Metro District No.	Filing No. / PA	Name	Product / Lot Size	Builder (LOI, Contract, etc)	Collection (or Fin Sq. Ft.)	District Lots	Home-Lot Status (2Q22 Survey)				Timing Assumptions (provided)		
							Homes Completed	Homes Under Construction	Vacant Developed Lots	Future Lots	District Finished Lots Ready	District Planned Home Closings	District Target Price (\$)
1	Rolling Hills Ranch	SFD 50' x 120'	Century	1,654 - 2,237	48	9	22	17	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 60' x 120'	Century	1,654 - 2,237	59	0	8	51	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 50' x 120'	Tralon	1,873 - 3,527	45	40	5	0	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 60' x 120'	Tralon	1,873 - 3,527	37	9	28	0	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 60' x 130'	Reunion	1,624 - 4,123	16	0	16	4	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 70' x 120'	Reunion	Will Get (est. 2266 - 4269)	27	0	0	23	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 60' x 120'	Campbell	2,266 - 4,269	14	14	3	11	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 70' x 120'	Campbell	2,266 - 4,269	13	0	1	12	0		2021	\$583,513	
1	Rolling Hills Ranch	SFD 70' x 120'	Covington	1,652 - 2,763	13	0	4	9	0		2021	\$583,513	
2	Rolling Hills Ranch	SFD 50' x 120'	Tralon	1,873 - 3,527	80	0		80	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 50' x 120'	Creekstone	1,873 - 3,527	18	0		18	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 60' x 120'	Covington	1,654 - 2,237	41	0		41	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 60' x 120'	Creekstone	1,654 - 2,237	11	0		11	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 60' x 120'	Reunion	1,654 - 2,237	18	0		18	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 60' x 120'	Tralon	1,654 - 2,237	18	0		18	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 70' x 120'	Covington	1,652 - 2,763	21	0		21	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 70' x 120'	Creekstone	1,652 - 2,763	33	0		33	0		2022	\$643,000	
2	Rolling Hills Ranch	SFD 70' x 120'	Reunion	1,652 - 2,763	4	0		4	0		2022	\$643,000	
3	Rolling Hills Ranch	SFD 60' x 120'	Campbell	1,654 - 2,237	32	0	0	32	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 60' x 120'	Century	1,654 - 2,237	40	0	0	40	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 60' x 120'	Covington	1,654 - 2,237	39	0	0	39	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 60' x 120'	Reunion	1,654 - 2,237	3	0	0	3	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 60' x 120'	Tralon	1,654 - 2,237	67	0	0	67	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 70' x 120'	Campbell	1,654 - 2,237	13	0	0	13	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 70' x 120'	Covington	1,654 - 2,237	7	0	0	7	0	2022	2023	\$643,000	
3	Rolling Hills Ranch	SFD 70' x 120'	Reunion	1,654 - 2,237	8	0	0	8	0	2022	2023	\$643,000	
1	Estates at Rolling Hills Ranch	SFD 180' x 250'	Campbell	2,266 - 4,269	7	0	4	5	0	---	---	\$1,099,330	
1	Estates at Rolling Hills Ranch	SFD 180' x 250'	Custom	2,266 - 4,269	9	0	7	0	0	---	---	\$1,099,330	
2	Estates at Rolling Hills Ranch	SFD 100' x 195'	TBD	2,266 - 4,269	98	0	0	0	98	2022	2023	\$1,099,330	
1	Rolling Hills Ranch North	SFD 50' x 120'	TBD	TBD	130	0	0	0	130	2024	2025	\$664,118	
1	Rolling Hills Ranch North	SFD 60' x 120'	TBD	TBD	103	0	0	0	103	2024	2025	\$664,118	
1	Rolling Hills Ranch North	SFD 70' x 120'	TBD	TBD	6	0	0	0	6	2024	2025	\$664,118	
2	Rolling Hills Ranch North	SFD 50' x 120'	TBD	TBD	91	0	0	0	91	2024	2025	\$664,118	
2	Rolling Hills Ranch North	SFD 60' x 120'	TBD	TBD	75	0	0	0	75	2024	2025	\$664,118	
2	Rolling Hills Ranch North	SFD 70' x 120'	TBD	TBD	36	0	0	0	36	2024	2025	\$664,118	
1	Sanctuary	SFD 35' x 85'	TBD	TBD	343	0	0	0	343	2023	2024	\$664,118	
4	Stonebridge Enclave	SFD 50' x 125'	Campbell	2,266-4,269	55	7	19	29	0	---	2021	\$563,833	
4	Stonebridge Enclave	SFD 70' x 110'	Campbell	2,266-4,269	16	0	1	15	0	---	2021	\$563,833	
4	Stonebridge Enclave	SFD 50' x 130'	Century	1,654 - 2,237	16	0	9	7	0	---	2021	\$563,833	
4	Stonebridge Enclave	SFD 60' x 130'	Century	1,654 - 2,237	52	26	24	2	0	---	2021	\$563,833	
4	Stonebridge Enclave	SFD 70' x 125'	Century	1,654 - 2,237	8	1	0	7	0	---	2021	\$563,833	
4	Stonebridge Enclave	SFD 60' x 125'	Covington	1,724 - 2,763	59	7	46	6	0	---	2021	\$563,833	
4	Stonebridge Enclave	SFD 70' x 125'			3	0	0	3	0	---	---	\$563,833	
1	Winding Walk	SFD 55'-60' x 120'	St. Aubyn		146	146	0	0	0	---	---	\$639,223	
1	Winding Walk	SFD 55' x 120'	Reunion		36	36	0	0	0	---	---	\$639,223	
1	Winding Walk	SFD 60' x 120'	Campbell	2,266 - 4,269	30	22	7	1	0	---	---	\$639,223	
1	Winding Walk	SFD 60' x 120'	Reunion		48	48	0	0	0	---	---	\$639,223	
1	Winding Walk	SFD 60' x 120'	St. Aubyn		85	85	0	0	0	---	---	\$639,223	
2	Winding Walk	SFD 65' x 130'	Reunion		60	60	0	0	0	---	---	\$594,931	
<b>Total</b>						<b>2,237</b>	<b>510</b>	<b>204</b>	<b>655</b>	<b>882</b>			
For-Sale Residential:						2,237	510	204	655	882			
For-Rent Residential:						0	0	0	0	0			
Total Units:						2,237	510	204	655	882			

**Additional Notes:**

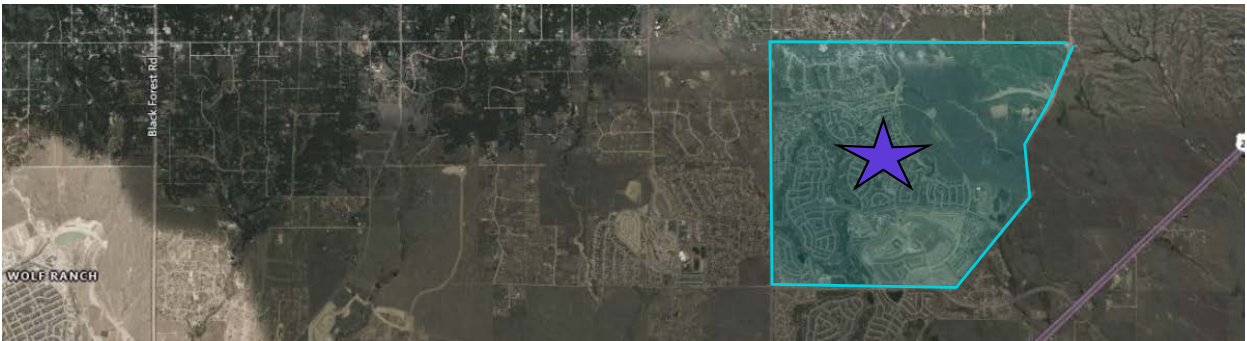
- District development total acreage is approximately 206.7.
- Neighborhood parks, trails and landscape parkways are constructed with each neighborhood.
- WindingWalk and Stonebridge amenities are complete.
- RHR is in the process of being completed and the neighborhood park is now complete, and the developer should be complete with neighborhood trails, and landscaped parkways by early fall 2022.
- ERHR park will be complete by spring 2023.
- The Sanctuary Park servicing the Sanctuary and RHRN will be complete end of 2023 along with Rex Road and its trail system and parkway landscaping.
- See additional files and email notes provided by the District for more information.

In order to do this, Zonda Advisory will evaluate the Competitive Market Area for housing demand, active and future lot supply, and new home competition to determine the likely pace of absorption for the

existing and proposed product. This will include a forecast of the broader Colorado Springs Market, in light of today's current and expected economic and housing market conditions.

The analysis will involve field research and a compilation of Zonda statistical data and other economic information. The proposed market analysis report is a condensed version of our more detailed market study, **in coordination with Special District Public Finance teams, specifically for metropolitan districts**, to include approximately 10-15 pages of written narrative commentary in an Executive Summary format with appropriate illustrations and tables, and an Appendix at the end of the report.

The district area is located in the northeast portion of the Colorado Springs Market, to the north of E. Woodmen Road and west of Highway 24. Specifically, the district is located to the northeast of the intersection between Meridian Road and Stapleton Drive, within the unincorporated Falcon-Peyton area of El Paso County. The map(s) below illustrate the Subject Property's location:



Source: Metrosearch, Zonda Advisory<sup>1</sup>

## 2. SCOPE OF WORK

Zonda Advisory's role is to provide an independent, third-party opinion on the local economy, housing market, and strategies based on our proprietary data, lot survey, and local market knowledge. Our analysis will be guided by local market dynamics, but also by current and projected economic trends, as well as the nature of the Subject Property itself, its characteristics and surrounding uses. The following is a summary of the analysis that will be conducted to provide an up-to-date market perspective.

### Analysis of the Regional, and Local Markets

- Research and discuss influences of current conditions in the local economy.
- Regional economic and demographic trends.
- Population and household growth trends and projections for both the Market and local competitive area.
- Employment and job growth trends.

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<sup>1</sup> Any above image not supplied by Client is: Copyright, Zonda Advisory and/or its licensors. Neither Client nor any Representative (as defined below in this Agreement) thereof may copy, distribute, share, publish, reuse or repurpose any such image without Zonda Advisory's prior written consent.

- Income categories and trends for both the Market and local competitive area.
- Migration trends within El Paso County.
- Any additional factors that may influence a buyer's ability to make a purchase will also be discussed.

#### **Local Area and Site Analysis**

- Review all relevant material (e.g., site plans, conceptual drawings, prior market studies, pertinent agreements, etc.)
- Zonda Advisory will physically inspect the property and chronicle its surrounding land uses, such as proximity to retail and services, access, mobility, schools, and employment centers.
- Discuss the strengths and weaknesses of the subject site location.
- Define the CMA and describe the boundary of this area with an illustrative map, which will include all the active and new residential subdivisions, including details on each project.

#### **Analysis of the Competitive Market Area**

- Provide a housing snapshot for the last three years comparing the Market and CMA, in terms of housing construction, inventory of homes and home sales of both new and resale homes, segmented by detached and attached type and price.
- Review the historical and current supply of vacant developed lots in the CMA segmented by size, product type and price.
- Evaluate the supply of future lots in the CMA and the competitive influence they will have if and when they are delivered into the market.
- Analyze home sales activity for both new and resale homes and provide average pricing and square footages for each.
- Prepare a *Competitive Community Analysis*, which will include all relevant information such as a project description, number of lots, lot sizes, active builders, and historical sales rates. Zonda Advisory will physically inspect these communities.
- Prepare a price-positioning analysis of targeted price segments (recommended) for each product against new base price, new home closings, and the resale market segments.
- Collect and analyze competitive lot premiums and options/upgrades within the CMA.
- Review deed transactions for the Subject Property (if available) and competitive projects to further examine closing price values.

#### **Conclusions and Recommendations**

- Evaluate the current developed and future lot supply of comparable projects to determine percent built-out and how long each community will potentially compete with the Subject Property. A Meridian Ranch absorption model within the construct of an **overall CMA build-out model** will be provided, looking forward approximately five-to-ten years.
- An additional **demand analysis model** is then also provided through the length of the build-out model, measuring the levels of potential demand at several rates of CMA market capture growth over time within the forecast of the Colorado Springs Market.
- Offer Zonda's conclusions about the marketability of the proposed plan, opportunities and constraints, and summary of any lessons learned in comparable environments.
- Provide conclusions based on client provided product type for competitive positioning, any alternative recommendations based on product type, size, and/or price point segmentation.
- Present any key marketing considerations in today's environment.

### 3. DELIVERABLES AND TIMING

Our research will be presented in a concise, presentation-style market report (the "Report," which term includes any drafts and the final thereof) that includes both written findings and key illustrative exhibits such as trend graphs, positioning charts, maps, photos, etc.

Understanding the Metropolitan District's schedule of events and Zonda Advisory's current commitments, Zonda Advisory estimates that it can begin work on this study starting Monday, August 22nd, 2022 with an anticipated **delivery of a draft of the Report within 4 to 5 weeks of written approval and receipt of the deposit (and your compliance with your other obligations hereunder)**. This translates to a Target Timeframe of: September 19th - September 23rd.

**All final start and completion times will be finalized upon the execution of this agreement.**

The Report is intended for use only by Client and, subject to the other terms and conditions of this Agreement, Client's Representatives (as used herein, "Representative" means, with respect to any party hereto, such party's parent, subsidiaries, affiliates, employees, independent contractors, agents, financing sources and investors, provided, however, that with respect to Client's Representatives, the term Representative shall not include any of the foregoing that are competitive with Zonda Advisory). Use of any Report (or any portion or content thereof) by others is not intended by Zonda Advisory and Client will need to gain prior written approval from Zonda Advisory before sharing, in whole or in part, any, Report (including any data, photographs, images, or other content or reflected therein) with any other person not specifically identified in this Deliverables and Timing section as having a right to have access to the Report. Further, Client agrees that it and each Representative is prohibited from copying (except solely for Client's internal business purposes), making derivative works (defined as any work that contains any portion of any Report, including collections, compilations, subsets or portions of the data from any Report) of selling, sublicensing, renting, timesharing, loaning, leasing or distributing any Report, without Zonda Advisory prior written approval. As between Zonda Advisory and Client, any and all drawings,

photographs, images, animations, other creative works and the like in the Report or this Agreement are the sole property of Zonda Advisory and its licensors.

Zonda Advisory understands this finalized work product will be included within a bond offering document by the Metropolitan District for consideration by those making financial decisions.

#### 4. EXPERIENCE

Zonda Advisory is qualified to assist you with this assignment. We believe in providing high quality service to our clients, and our team understands these assets and the competitive market. We are experienced throughout the United States, having completed numerous studies over the last 30 years.

Our team includes the following:

**Tim Sullivan, Senior Managing Principal.** Mr. Sullivan is an expert in residential feasibility studies, strategic planning and product development and has conducted market analyses all over the United States in his 38 years of experience in the Real Estate Industry.

**John Covert, Principal.** Mr. Covert launched the Colorado office in 2001 and has become a respected researcher and advisor for the home building industry with extensive experience in market strategy, feasibility studies and local economic trends. He regularly meets and consults with many of the top companies in the industry and is a seasoned presenter and industry advocate.

**Tom Hayden, Senior Vice President.** Mr. Hayden has over 23 years of experience in the real estate industry and has directed analyses throughout the United States. Based in Denver, CO, Mr. Hayden has consulted on a wide array of development, regularly involving strategic planning, market and financial feasibility, economic and demographic forecasting, product positioning and planning, consumer analysis, and overall market evaluation and opportunity examination.

**Evan Forrest, Vice President.** Mr. Forrest has over 15 years in the real estate industry. Mr. Forrest has sourced, developed, performed feasibility analysis, and positioned real estate (residential, commercial, retail, industrial, etc.) throughout the country, as well as assisted with capital raises and expert witness cases.

Other resources may be added to the team as necessary to meet the objectives of this Agreement, including the timing constraints under this Agreement.

#### 5. FEE REQUIREMENTS

**Professional Fees.** The professional fees for the scope of work under this Agreement are **\$20,000**. Such fees include one initial kickoff call and one summary call after delivery of the report to review findings, if requested. If needed, one draft revision with consideration of district, developer, underwriter, and counsel comments and/or minor edits and clarifications to assumptions related to development timeline is also included. Any follow-up work including any further edits, revised product, or development timelines following the first draft revision will be subject to additional billing at a starting revision fee of 10% of the total fee per draft revision requested. Additional meetings will be billed at our standard hourly

rates. Major revisions to product offering analysis and/or timeline assumptions will require an updated study proposal addendum and charges will be determined by Zonda Advisory at the time of request.

Should delays in the District's bond schedule for the metropolitan district occur with enough time passing between the completion of the market study and the District's offering and close that requires an updated market study/refresh (typically determined in coordination with the Special District Public Finance team underwriter), a new addendum proposal and signed agreement will be required. Additional charges will be determined by Zonda Advisory, and based on the amount of development site changes, market conditions, and/or length of time between analyses.

Direct Expenses. Zonda Advisory will be reimbursed for all out of pocket costs, including but not limited to travel, mileage, copies and data costs.

Non-Itemized Administrative Fee. Client also will be charged and responsible for an administrative fee equal to 4% of the professional fees hereunder.

Initial Payment. Upon execution of this Agreement, Zonda Advisory requires from Client a payment equal to 50% of the above-specified estimated professional fees to begin work.

Balance Invoice. Zonda Advisory will submit an invoice for the balance due for the professional fees plus expenses and the non-itemized administrative fee. This balance invoice is due upon delivery of the first draft Report and is in no way contingent on closing of the District. Any delay or inaccurate information provided by the Client that causes additional analysis or additional work that is outside the scope of this engagement, if any, will be billed separately at Zonda Advisory's then current rates.

Payments, etc. Except as otherwise expressly provided in the above Balance Invoice paragraph, payment will be due upon receipt of invoice. Zonda Advisory reserves the right to charge up to 1.5% interest per month (or, if less, the maximum rate permitted by applicable law) on any outstanding invoices not paid within 30 days of the invoice date. Payment by Client to Zonda Advisory's' fees and expenses is not any way contingent upon any factor.

Termination Prior to Research Completion. If for some reason the Client decides to end this engagement before completion, upon written notification, Zonda Advisory will stop work immediately and bill for work completed to date.

## 6. TERMS AND CONDITIONS

General. Client is responsible for timely, accurately and completely providing Zonda Advisory with all material information known to Client or any of its Representatives (including, without limitation, regarding Client's plans and expectations) that reasonably could be expected to affect our services hereunder, the Report or the realization of results projected in the Report. No guarantee is made regarding the Report or any result or outcome projected therein. There will usually be differences between projected and actual results and outcomes, and the differences may be material. We have no responsibility to update the Report for, among other things, events and circumstances occurring after the date of the Report or information not actually known to us when preparing the Report. Nothing in this Agreement or the Report, express or implied, is intended to or shall confer upon any person, other than

the named parties to this Agreement and their successors and permitted assigns, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement or the Report.

Limitations of Liability. In no event shall Zonda Advisory or any of its parents, subsidiaries, affiliates, directors, officers, employees, contractors, agents, licensors and suppliers (collectively, the “Research Group”) be liable, whether a claim be in tort, contract, or otherwise, for any of: (a) any indirect, special, incidental, reliance, consequential (including lost profits or revenue), exemplary, punitive, loss or similar damages arising out of or relating to this Agreement, any services rendered by Zonda Advisory hereunder or any other subject matter hereof, even if Zonda Advisory has been apprised of the possibility thereof; and (b) damages, including but not limited to attorneys’ fees, exceeding, in the aggregate for all claims arising out of or relating to this Agreement, any services rendered by Zonda Advisory hereunder or any other subject matter hereof, the total professional fees paid by Client and received by Zonda Advisory pursuant to this Agreement. It is further understood and agreed that the Research Group shall not be liable for any claim in the event that Zonda Advisory is not: (i) notified promptly by Client upon Client becoming aware of the existence of such claim, and (ii) given a reasonable opportunity to cure or mitigate such claim if possible. It is understood and agreed that this Limitations of Liability paragraph shall survive the termination of this Agreement and Zonda Advisory’ engagement hereunder. The foregoing limitations shall apply notwithstanding any failure of essential purpose of any remedy.

Publicity. Neither party hereto shall advertise, market or otherwise make known to any other person (except such party’s Representatives) or the Report or any of the other party's non-public information relating to the other party, and each party hereto shall use (and shall ensure that Its Representatives use) the Report and such non-public information only for such party's receipt of benefits and performance of obligations under this Agreement; provided that if a party hereto discloses the Report or any such non-public information of the other party to any of the first party’s Representatives, then such first party shall do so only on a need to know basis to such Representatives who are bound in writing or by applicable law by obligations of confidentiality no less restrictive than those set forth in this Publicity paragraph. In furtherance of the preceding sentence, this Agreement, this Agreement and Its terms and conditions (including any pricing and payment information) are the non-public information of Zonda Advisory. Notwithstanding the foregoing provisions of this Publicity paragraph or anything else, Client grants Zonda Advisory permission to: (i) disclose the fact that Client is Zonda Advisory's client orally or in writing to third parties of Zonda Advisory’ choosing; (ii) include Client’s name and logo on any client list to appear on any websites of Zonda Advisory or any of its affiliates; and (iii) include Client’s name and logo on any client list to appear in presentations to be given to Zonda Advisory’s current or prospective clients. As used herein, in respect of any particular party hereto, the term “non-public information” means any of such party’s information, or that of any of its affiliates, vendors and licensors, that is not generally available to the public; provided that, If any of the other party's Information becomes publicly available due to the fault (including breach of this Agreement) of the other party or any of its parents, subsidiaries, affiliates, employees, independent contractors, agents, representatives, financing sources and investors, then such information nonetheless shall be deemed non-public information for the purposes hereof.

Relationship of Parties. Zonda Advisory shall serve as an independent contractor to Client, and under no circumstances shall Zonda Advisory be, or be deemed to be, a partner, agent, servant, distributor or employee of Client in relation to performance hereunder.

Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without reference to conflict of law principles.

Entire Agreement. etc. This Agreement sets forth the entire agreement and understanding of Zonda Advisory and Client regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements and understandings between the parties with respect to such subject matter. No modification or waiver of any terms of this Agreement shall be valid and binding unless agreed to in writing by Zonda Advisory and Client. A waiver of any specific term hereof shall not be deemed to constitute a waiver of any other term hereof, nor shall a waiver of any one or more occasions be deemed to imply or constitute a waiver of the same or any other term on any other occasion. Client may not assign or delegate this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of Zonda Advisory.

Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Enforceability. This Agreement has been duly executed and delivered by each of Zonda Advisory and Client and constitutes the legal, valid and binding obligations of each of Zonda Advisory and Client enforceable against each of Zonda Advisory and Client in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and similar laws affecting the rights of creditors generally, and general principles of equity.

Construction. The words “include” and “including,” and other words of similar import when used herein will not be deemed to be terms of limitation but rather will be deemed to be followed in each case by the words “without limitation.” The words “herein,” “hereto,” “hereof” and “hereunder” and other words of similar import in this Agreement will be deemed in each case to refer to this Agreement as a whole and not to any particular article, section or other subdivision of this Agreement. Headings and captions are for convenience only and are not to be used in the interpretation of this Agreement. No provision of this Agreement shall be construed against a party by reason of the fact that such party or its legal counsel drafted that provision, notwithstanding any rule of law or any legal decision to the contrary.

Counterparts; Signatures. This Agreement and any amendments, waivers or supplements to this Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original. Facsimile copies of signatures, however delivered (including, without limitation, via email), shall be deemed equally binding as originals.

Confidentiality. During the course of this engagement, Zonda Advisory may become privy to proprietary information about the Client's investment or development strategies for the subject property. Zonda Advisory will treat any such information, including the results of or work with strict confidentiality and will only discuss it with others upon receiving specific and express direction or consent.



## 7. ACCEPTANCE

We look forward to working with you. The signed Agreement may be sent via e-mail or can be mailed to the address on page one of this Agreement.

Respectfully,



Tom Hayden  
Senior Vice President of Advisory



John Covert  
Principal, Advisory

*[Client's signature page follows.]*

AGREED AND ACCEPTED:

Client agrees to and accepts this Agreement, as of the date of this Agreement first above set forth:

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUB DISTRICT**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

CO1159-22

## ZONDA ADVISORY

Zonda Advisory combines experienced real estate and technology advisors with leading data to provide our clients with a clear perspective and a strategic path forward.

Our expertise includes:

- Community Development
- Resort & International Development
- Litigation Support & Expert Witness
- Institutional Advisory & Portfolio Analysis
- Multi-Family, Urban & Mixed-Use
- Commercial Analysis
- Capital Investments

Our Advantage: The combination of deep real estate knowledge and cutting-edge technology backed by the most comprehensive data.

We believe this enhances our array of information and our advisory team.

THE ADVISORY TEAM COMPLETED  
APPROXIMATELY 900 STUDIES THROUGHOUT  
THE U.S. IN THE LAST YEAR

## ZONDA IPAD

### Our iPad App with Real Time Housing and Economic Data

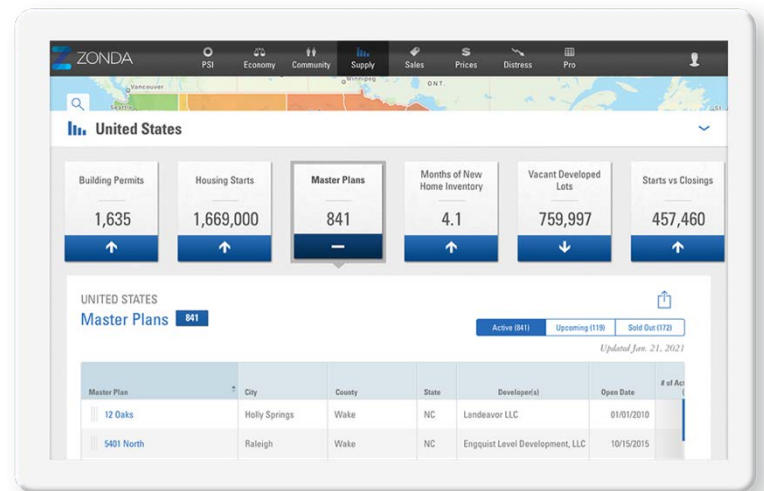
Zonda offers an approachable and intuitive way to access real-time data in 408 Counties across the United States. With detailed maps, comprehensive data and interpretive narrative, we deliver:

- National Insight
- Local Flavor
- Historical Context and Forecasts
- Accelerated Field Work
- Instant Reports

All in a user-friendly format & on-the-go.

### Zonda Master Plan Database

Zonda manages the nation's largest and most comprehensive Master Planned Community database, which tracks sales, pricing, future lot supply, quick move-in inventory, product segmentation, and amenities at over 800 actively selling and 125 upcoming master plans across the US. We will bring that knowledge and insight to this effort.



## BIRD.I

Bird.i allows you to track the progress of land projects in real-time. Get access to proprietary satellite imagery and artificial intelligence (AI) technology that captures images of ongoing projects allowing for timelier, better-informed decision making throughout the building process.

# Sherman & Howard

675 Fifteenth Street, Suite 2300, Denver, Colorado 80202  
Telephone: 303.297.2900 [shermanhoward.com](http://shermanhoward.com)

**Tiffany L. Leichman**  
**Direct Dial Number: (303) 299-8104**  
**E-mail: [tleichman@shermanhoward.com](mailto:tleichman@shermanhoward.com)**

August 26, 2022

Board of Directors  
Meridian Ranch Metropolitan District 2018 Subdistrict  
c/o Spencer Fane LLP  
1700 Lincoln St., Suite 2000  
Denver, Colorado 80203  
Attention: Ron Fano, Esq.

Re: Engagement as bond and special counsel

Ladies and Gentlemen:

We are pleased to confirm our engagement as your bond and special counsel. We appreciate your confidence in us and will do our best to continue to merit it. The purpose of this letter is to set forth in writing the elements of our mutual understanding in establishing our attorney-client relationship.

This letter sets forth the role we propose to serve and the responsibilities we propose to assume as bond and special counsel in connection with the issuance of one or more series of bonds, notes, or other obligations (the “Bonds”) by or on behalf of Meridian Ranch Metropolitan District 2018 Subdistrict (the “Issuer”) pursuant to the terms of this engagement letter. This letter supersedes and replaces any previous engagement letters between the Issuer and us pertaining to representing the Issuer on public finance matters. We understand that the governing body of the Issuer will authorize the execution of this letter at a meeting and will delegate to the presiding officer of the Issuer’s governing body the authority to sign this letter and to represent the Issuer. Tiffany Leichman and Peter Whitmore will be the members at the firm who will coordinate and oversee the services we perform on your behalf. Where appropriate, certain tasks may be performed by other attorneys or paralegals. At all times, however, Ms. Leichman and Mr. Whitmore will coordinate, review, and approval all work completed for the Issuer.

## **Scope of Employment**

Bond counsel is engaged as recognized attorneys whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As

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your bond counsel, we will examine applicable law; consult with the parties to the transaction prior to the issuance of any particular series of Bonds; prepare customary authorizing and operative documents, review a certified transcript of proceedings; and undertake such additional duties as we deem necessary to render the opinion. Subject to the completion of proceedings to our satisfaction, we will render our opinion relating to the validity of the Bonds, the lien of the Bonds on the revenues pledged to the payment thereof, and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes.

Unless otherwise determined by the Issuer or ourselves in connection with any particular Bond issue, we are also being retained by you to act as special counsel to the Issuer in connection with an Official Statement for any particular series of Bonds (the "Official Statement"). For some Bond issues, the Issuer may decide not to prepare an Official Statement, the Issuer may determine to have the Official Statement prepared by other persons such as underwriter's counsel, or other circumstances could exist which lead to the conclusion that this firm should not act as special counsel in connection with any particular Bond issue, and in such cases, the provisions hereof pertaining to special counsel will be inapplicable.

For Bond issues in which we are also acting as special counsel, we will provide advice to the Issuer on the applicable legal standards to be used in preparing the Official Statement and meeting the Issuer's disclosure responsibilities. At the conclusion of the transaction we will deliver a letter to you stating that we have assisted the Issuer in the preparation of the Official Statement, and that in the course of such assistance, nothing has come to the attention of the attorneys in our firm rendering legal services in connection with our representation which leads us to believe that the Official Statement, as of its date (except for the financial statements, other statistical data and statements of trends and forecasts, information concerning the provider of any credit enhancement, and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Official Statement and its Appendices, as to which we express no view), contains any untrue statement of material fact or omits to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading. If requested, we will prepare the Bond Purchase Agreement on behalf of the Issuer, though this is not normally within the scope of our responsibilities.

In rendering any opinion hereunder, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Any such opinion will be addressed to the Issuer and will be executed and delivered by us in written form on the date a series of Bonds are exchanged for their purchase price (with respect to that series, the "Closing"), and will be based on facts and law existing as of such date.

Our services hereunder are limited to those contracted for explicitly in this letter. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman & Howard L.L.C. in any IRS audit or any litigation involving the Issuer or the Bonds, or any other matter. Neither do we assume responsibility for the preparation of any collateral documents (*e.g.*, environmental impact statements) which are to be filed with any state, federal or other regulatory agency. Nor do our services include financial advice (including advice about the structure of any Bonds) or advice on the investment of funds related to any Bond issue.

### **Representation of the Issuer**

In performing our services hereunder our client will be the Issuer. Accordingly, in any negotiations concerning the terms of the financing, we will represent the interests of the Issuer. We will work closely with the Issuer's attorney and will rely on his/her opinion with regard to specific matters, including pending litigation. We do not represent any developer or owner of property within the Issuer, nor do we represent the Board members in their individual capacity. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our limited representation of the Issuer does not alter our responsibility to render an objective opinion as bond counsel.

### **Conflicts of Interest**

Before accepting any new business, the Colorado Rules of Professional Conduct (the "Rules") require us to evaluate whether there are any ethical constraints to representing you in this new matter. As you are aware, our Public Finance Department practices in all areas of public finance in Colorado and other states, and in such practice simultaneously represents many political subdivisions, investment bankers/underwriters, trustees, financial institutions, and other companies and individuals. In addition, our other departments also represent various persons or institutions which may have or will have dealings with the Issuer, and which may be adverse to the Issuer.

We have completed a conflicts check within our firm and have found no current conflict between the Issuer and our existing clients, except as described below.

*Current or Anticipated Representations* - We have in the past, and are currently representing or are undertaking to represent, many of the firms which may be selected to act as your underwriter, financial advisor, or placement agent, as well as many of the banks which may be selected to act as trustee or paying agent, in unrelated bond or other transactions. Technically, because the Issuer sells its bonds to an underwriter or purchaser, and because the Issuer enters into agreements with the trustee or paying agent, the Issuer's interests can be viewed as "adverse" to those of such underwriter or bank. Our past, current, and anticipated representations of the underwriter and bank are not in any way connected to any Bonds of the Issuer which are currently contemplated or planned; however, under the ethical Rules, attorneys in our firm cannot simultaneously represent such adverse parties, even though the transactions are wholly unrelated,

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unless we reasonably believe that our representation of the Issuer will not adversely affect our relationship with such other parties, and unless each client, after consultation, consents to the adverse representation. Please be advised that we routinely receive the consent of underwriters and other public finance clients to our representation of governmental entities in matters unrelated to our representations of such clients.

*Future Representations* - In addition, during the course of our engagement with you or at some future time, it is likely that we will be asked to represent such parties, or other persons or entities who have dealings with the Issuer, in other matters or transactions unrelated to any Bonds. Even though such existing and prospective engagements will be unrelated to any Bonds, we believe that good practice, and the Rules, require us to obtain the Issuer's consent thereto. With respect to our future representation of such parties in matters unrelated to any Bonds, we acknowledge that you might be concerned about confidentiality of information. The Rules prohibit the use of information obtained in our capacity as bond and special counsel to the disadvantage of the Issuer. Accordingly, we do not believe that our existing or former representation of the underwriter or the bank will act as a material limitation on our ability to represent the Issuer as bond and special counsel.

*Factors Considered* - We do not believe that our current, anticipated, or future engagements will materially limit or adversely affect our ability to represent the Issuer either: (i) because the potential for adversity is remote or minor and is outweighed by the consideration that it is unlikely that any advice given to other clients in unrelated transactions would be relevant to our representation of the Issuer in connection with any Bonds, or (ii) because such matters are or will be sufficiently different from this financing so as to make the representation not adverse to our representation of the Issuer in connection with any Bonds. In reviewing our current, anticipated, and potential future representation of the parties discussed above, we have considered: whether we can represent each client with undivided loyalty; whether we can protect the confidentiality of each client; the limited duration and extent of our engagement with the parties; the likelihood that a conflict will eventuate, possibly requiring our withdrawal from the representation; and should any conflict arise, any prejudice to each client which might result therefrom.

*Consent Requested* - In determining whether to consent to and waive the foregoing conflicts of interest, you should understand that your waiver includes your acknowledgement and agreement: (i) that you are not entitled to information we will obtain during our representation of the underwriter, bank, or other parties, and (ii) that we have no duty to provide such information to you or to use it in representing you. We advise you to discuss with your general counsel the advantages and risks involved in such simultaneous, adverse representations. Pursuant to such consultation and the matters discussed herein, we will treat your execution of this letter as consent to our current, anticipated, and future representations of such other parties in matters unrelated to any Bonds. If at any time a question should arise about an adverse representation, please do not hesitate to contact us.



## **Document Retention**

At or within a reasonable period after Closing, we will direct a review of the file to determine what materials should be retained as a record of the representation and those which are no longer needed. Ordinarily, we will return original legal documents to you along with the Closing transcripts, and we will retain for several years such materials as correspondence, final substantive work product, documents obtained from the client, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material, or drafts and notes that do not appear needed any longer.

As to the client file materials that we retain, ordinarily the firm will keep those for a period of seven years after the final maturity of any particular issue of Bonds. At the end of that time, unless the Issuer has advised us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may return the client file to you sooner than the end of this period as our storage facilities are limited, however, we always reserve the right to retain a copy of the files. If the Issuer wishes to make other arrangements for retention or disposition of files, please so advise us in writing.

## **Electronic Communications**

Although the Issuer and our firm recognize e-mail may not always be a secure method of communication, and could be intercepted and read by persons who are not the intended recipients, the Issuer and the firm agree to the use of unencrypted e-mail for communications made during the course of this engagement, including communications containing confidential information or advice. The Issuer may, however, at any time request us to use a specified more secure or different method of communication for confidential information or advice, including communications about a particular subject, and we will take reasonable measures to implement the request from the Issuer.

## **Fee Arrangement**

Currently, the Issuer is proposing the issuance of limited tax general obligation bonds in the approximate principal amount of \$23,115,000. Based upon: (i) our current understanding of the terms, structure, size, and schedule of this financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to this financing, and (iv) the responsibilities we assume, we estimate that our combined fee as bond and special counsel would be in the range of \$145,000 to \$155,000. Such fees may vary: (i) if the principal amount of the financing actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities. If, at any time, we believe that circumstances require an adjustment of our original fee estimate for this financing, we will consult with you.

At this time the size of any Bond issue, the nature of the security therefor, and other matters have not been determined. Additionally, the nature of any other legal services which may be requested hereunder is undetermined. As a result, it is agreed that for such future Bond issues, if any, we will represent the Issuer hereunder for a reasonable, mutually agreed-upon fee, based upon the structure of the particular transaction and our responsibilities in connection therewith. In addition, we will expect to be reimbursed for all out-of-pocket expenses, including travel costs, photocopying, deliveries, long distance telephone charges, filing fees, and other necessary office disbursements in connection with that transaction.

Our fees for acting as bond and special counsel, unless otherwise agreed to at the time, will be contingent upon the Issuer being legally able to proceed to Closing, to be paid at the Closing out of the Bond proceeds or other legally available moneys of the Issuer. In the event that the Issuer is able to issue a particular Bond issue as a matter of law, but chooses not to as a result of financial or other factors, our fees will not be contingent, and in such event we will bill the Issuer for the time spent on such Bond issue at our usual hourly rates, plus out-of-pocket expenses. Ms. Leichman's current hourly rate is \$525 an hour and Mr. Whitmore's current hourly rate is \$720 an hour.

With respect to the provision of legal services in connection with municipal finance matters which do not result in the issuance of Bonds, our fees will be at our usual hourly rates, plus out-of-pocket expenses, and shall not be contingent.

### **Termination of Engagement**

The above fees contemplate compensation for usual and customary services as described above. Upon delivery of the opinion or opinions referenced herein, our responsibilities hereunder will terminate with respect to a particular financing. Specifically, but without implied limitation, we do not undertake to provide continuing advice to the Issuer or to any other party to the transaction.

This engagement is terminable by either party upon 15 days' notice to the other party; provided that: (i) the foregoing shall not alter or affect our responsibilities to the Issuer under the Code of Professional Responsibility or other applicable laws, rules, and regulations; and (ii) if the Issuer terminates us without cause while we are engaged in a matter on its behalf for which attorney or paralegal time has been expended, the Issuer will pay us our usual fees for such time spent, at our then-applicable hourly rates.

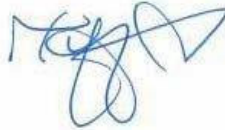
### **Approval**

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning to us a copy of this letter signed by an authorized officer.

We sometimes do not receive signed engagement letters back from clients for various reasons, but the client still wishes for us to serve as their bond counsel. Accordingly, so that we may begin work on this matter soon per your instructions, if you do not return a signed letter to us or inform us of any comments or objections to this letter, we will consider this letter and the referenced fee arrangement to govern our relationship unless you and we agree otherwise in writing.

We are pleased to have the opportunity to serve you and look forward to a mutually satisfactory and beneficial relationship. If at any time you have questions concerning our work or our fees, we hope that you will contact us immediately.

**SHERMAN & HOWARD L.L.C.**



By: Tiffany L. Leichman



By: Peter J. Whitmore

Accepted and Approved:

**MERIDIAN RANCH METROPOLITAN  
DISTRICT 2018 SUBDISTRICT**

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**GTL, INC. dba  
GTL DEVELOPMENT, INC.**

Fax No. (619) 223-2865  
Telephone No. (619) 223-1663

3575 Kenyon Street, Suite 200  
San Diego, CA. 92110

Mailing Address  
P. O. Box 80036  
San Diego, CA 92138

VIA EMAIL  
ATTACHMENTS

September 9, 2022

Meridian Service Metropolitan District Board  
Meridian Ranch Metropolitan District Board  
11886 Stapleton Drive  
Falcon, CO 80831

RE: REQUEST FOR APPROVAL AND RELEASE OF AVAILABLE EXCESS FUNDS FROM TAP  
FEE REVENUE FOR PAYMENT OF GTL, INC. DEVELOPER ADVANCES

Dear MSMD and MRMD Board Members,

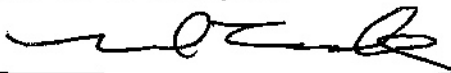
GTL Inc. is respectfully requesting the approval and release of the available Releasable Excess Funds from Tap Fee Revenue towards payment of the GTL Inc. bonds/notes. Attached please find the MSMD letter dated April 7, 2022 marked Exhibit A confirming the principle and interest audited balances of the GTL Inc. bonds/note(s) as of December 31, 2022. Also enclosed for your use is the summary of past payments from MSMD/MRMD to GTL Inc. from Releasable Excess Funds marked Exhibit B.

Katya Arcia from CRS of Colorado updated the Releasable Excess Funds spreadsheet as of September 8, 2022. Please see the attached PNC Bank Releasable Proceeds spreadsheet marked Exhibit C showing an Available Now – Excess Funds amount of \$5,061,135.19. This amount will be subject to final review and approval by all appropriate entities including PNC Bank and MSMD.

GTL Inc. would like to request that the final approved Released Excess Funds go towards paying down the unpaid principal balance of the GTL Inc bonds/note(s). To help support the District, GTL Inc. is proposing to also reduce the unpaid interest balance of the GTL Inc bonds/note(s) by the same final Released Excess Funds amount. We appreciate your support and look forward to continuing to work with the Boards and everyone at MSMD and MRMD. If you have any questions or need additional information please let us know.

Very truly yours,

GTL, INC. dba  
GTL DEVELOPMENT, INC.

  
Theodore Tchang, President

Cc: Ron Fano  
Jim Nikkel, Jennette Coe  
Katya Arcia

RG:nl

# EXHIBIT A



**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
*Water, Wastewater, Parks and Recreation*  
11886 Stapleton Dr, Falcon, CO 80831  
719-495-6567, Fax 719-495-3349

April 7, 2022

GTL  
3575 Kenyon St., Suite 200  
San Diego, CA 92110

Our auditors, BiggsKofford, P.C., are conducting an audit of our financial statements. Please confirm directly to them the following information relating to our bonds/note(s) payable to you as of December 31, 2021:

Date of issuance:	N/A
Original amount:	\$ _____
Unpaid principal balance:	\$ <u>9,315,476</u>
Maturity date:	_____
Interest rate:	Currently 5% on Principal & 0% on interest until 12.31.2025
Date through which interest has been paid:	_____
Unpaid interest as of December 31, 2021:	\$ <u>13,591,477</u>
Description of collateral or personal guarantees (If none, please so indicate):	_____

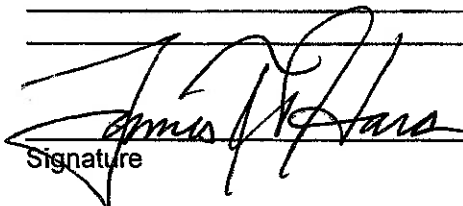
After signing and dating your reply, please return it directly to:

BiggsKofford, P.C.  
Attention: Patricia Spencer  
630 Southpointe Court, Suite 200  
Colorado Springs, Colorado 80906  
Confirmations@biggskofford.com  
Fax: 719-576-0126

	<u>Dist. Mgr.</u>	<u>4/7/2022</u>
District Authorized Signature	Title	Date

To BiggsKofford, P.C.:

The balances due from Meridian Service Metropolitan District shown above as of December 31, 2021 are correct with the following exceptions (if any): NONE

	<u>CFO</u>	<u>5/10/22</u>
Signature	Title	Date

## EXHIBIT B

**GTL Inc., General Ledger**

**RE: MSMD/MRMD Reimbursement Payments To GTL Inc. From Available Excess Funds From Tap Fees For Bonds/Note(s)**

Period = Jan 2014 - Sep 2022

Report Date = 9/7/2022

Date Funds Received	Period	Credit	Remarks
1/12/2017	Jan-17	\$ 1,872,299.42	GTL/MSMD-REIMBURSEMENT
8/3/2017	Aug-17	\$ 800,000.00	GTL/MSMD-REIMBURSEMENT
8/21/2017	Aug-17	\$ 2,100,000.00	GTL/MSMD-REIMBURSEMENT
2/16/2018	Feb-18	\$ 1,510,463.08	GTL/MSMD-REIMBURSEMENT
9/18/2018	Sep-18	\$ 1,673,050.67	GTL/MSMD-REIMBURSEMENT
<b>Total Reimbursements =</b>		<b>\$ 7,955,813.17</b>	

Unpaid Principle Balance As of 12/31/2021 = \$ 9,315,476.00  
 Unpaid Interest As Of 12/31/2021 = \$ 13,591,477.00

**Meridian Ranch  
PNC Bank Releasable Proceeds**

**EXHIBIT C**

	<u>2022</u>	<u>2023</u>	
2022 Final AV	\$ 97,902,950.00	\$ 97,902,950.00	2023 amount to be updated when available
2022 Net Debt Service	\$ 3,609,560.00	\$ 6,444,446.00	
Reserve Fund as of 8/31/22	\$ 1,414,653.48	-	
Estimated Debt service	\$ 3,609,560.00	\$ 6,444,446.00	
21.998 Mills for Property Taxes, net	1.91% \$ 2,121,364.00	\$ 2,121,364.00	
Specific Ownership Tax (CO licenses, ets)	41.70% 185,510.00	194,785.50	
<b>TOTAL</b>	<b>\$ 2,306,874.00</b>	<b>\$ 2,316,149.50</b>	
Funds Needed Year End for 2022 D/S	\$ 1,302,686.00	\$ 4,128,296.50	
Current BBVA Balance - Acct #6708905745 as of 8/31/22	\$ 11,737,719.14	\$ -	
<b>2022 Net Debt Service:</b>			
2013 Series Loan Interest - Loan #18	\$ 807,036.00	\$ 1,203,434.00	
2014 Series Loan Interest - Loan #26	92,243.00	28,435.00	
2018 Series Loan Interest - Loan #34	840,281.00	827,577.00	
2013 Series Loan Principal - Loan #18	1,060,000.00	730,000.00	
2014 Series Loan Principal - Loan #26	110,000.00	2,760,000.00	Balloon payment due in 2023 - 3/28/2023
2018 Series Loan Principal - Loan #34	350,000.00	545,000.00	Balloon payment due in 2030 of \$18,200,000 - 12/1/2030
2008 Bond interest	350,000.00	350,000.00	
Reserve Fund	-	-	
<b>Total 2022 Debt Service</b>	<b>\$ 3,609,560.00</b>	<b>\$ 6,444,446.00</b>	
<b>June 2022 Payments</b>			
2021 Interest - Loan #18	\$ 402,412.61	\$ -	
2021 Interest - Loan #26	45,994.94	-	
2021 Interest - Loan #34	418,989.28	-	
2021 Bond Interest	-	-	
2021 Principal - Loan #18	-	-	
2021 Principal - Loan #26	-	-	
2021 Principal - Loan #34	-	-	
<b>Total June 2021 payments</b>	<b>\$ 867,396.83</b>	<b>\$ -</b>	
Overage/deficit	<b>\$ 8,995,555.97</b>	<b>\$ (4,128,296.50)</b>	
Property taxes to be collected/transferred in	\$ 40,518.05		
Specific Ownership Tax to be collected/transferred in	77,357.67		
Tap fee sales transferred in Sept 2022	\$ -	\$ -	
Remaining budgeted 2022 Tap fee sales	\$ 76,000.00		
Available Now - Excess funds	<b>\$ 9,189,431.69</b>	<b>\$ 5,061,135.19</b>	
Releasable amount requested	<b>\$ -</b>	<b>\$ -</b>	