

VIA E-MAIL

August 29, 2024

NS Public Infrastructure District No. 1
White Bear Tanaka Ankele & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

PROPOSAL FOR DISTRICT ENGINEERING SERVICES

The purpose of this letter is to define the scope of services The Connexion Group - Civil, LLC will provide to NS Public Infrastructure District No. 1 (the "District"). We appreciate the opportunity to submit this proposal for consideration by the District's Board of Trustees.

The primary purpose of the District is to finance the construction of public improvements that are for the use and benefit of all anticipated inhabitants and taxpayers of the District. It is our understanding that the District has entered into an interlocal agreement with NS Public Infrastructure District Nos. 2-5 (collectively, the "Districts"). Pursuant to the agreement the Districts are authorized to finance certain public improvements ("District Eligible Costs"). However, the allocation of the public improvement costs between the Districts shall be left to the Districts' Discretion. The Districts boundaries include ±54.96 acres of land located in Salem City, Utah. The public improvements that the Districts are authorized to fund without written consent of the Salem City total approximately \$40 million and relate to the New Salem development. Construction of the development may be completed by the project developer who intends to seek reimbursement/funding from the District for the improvements that the District can lawfully fund.

The District has requested proposals from a professional engineer independent of the developer (the "District Engineer") to substantiate costs related to the provisions of public infrastructure and verify that such costs are reasonable. The District intends to select the District Engineer based on competency, qualifications, and experience to provide the needed engineering services.

WHY THE CONNEXION GROUP?

The Connexion Group understands districts and our team has ensured statutory compliance on hundreds of districts throughout Colorado and Utah. We deliver the highest caliber of service and leverage our vast experience, unbiased perspective, and attention to detail to do so. The key to our success is a team that understands the importance of effective project management, continued advancement, and communication. Our reputation is tied to every district we serve, and The Connexion Group is committed to providing what is necessary to meet the needs of NS Public Infrastructure District No.1.

PROPOSED SCOPE OF SERVICE

District Engineering Services – The Connexion Group will serve as the District Engineer for the Project. As the District Engineer, we will provide a public improvement cost estimation report, cost certification reports, cost share reports and any other engineering consulting services that the District may reasonably request. With the acceptance of this proposal, the District approves The Connexion Group to complete the services outlined in Attachment A. Our services may be performed by any professional engineer working 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

The Connexion Group will serve as the District Engineer on a Time and Materials basis. Under this arrangement, we will charge for our time and effort at the rates included below plus any additional costs assumed by The Connexion Group during the engagement period to perform the services properly. The Connexion Group records time in 15-minute increments at the rate we determine appropriate for the experience and capabilities required to complete our services. The Connexion Group will only charge for reasonable hours (based on the complexity, skill, time constraints imposed by the District, and results achieved) to complete the work.

Hourly rates are revised periodically to reflect the current cost for delivery of engineering services and the fees charged for services under this engagement may change without notice. The charge rate by position is as follows:

District Engineer	\$175.00/Hr.
Project Engineer	\$140.00/Hr.
Project Administrator	\$115.00/Hr.
Mileage Reimbursement	IRS Standard mileage rate + 10%
Subconsultant Services	Cost + 10%

PAYMENT TERMS

Invoices will show the total time recorded per charge rate. We reserve the right to bill the District for our services performed that were by the direction of any individual board member or representative of the District, whether in person or in writing.

The Connexion Group invoices monthly or on any reasonable basis we may determine necessary. Except as set forth herein, the District agrees to make prompt payment of all outstanding fees and costs. We reserve the right to charge interest at the rate of 1.5% per month on the invoiced amounts 60 days after submission to the District until paid. Additionally, The Connexion Group may upon five (5) days' notice to the District, suspend all Services until paid in full and may terminate the Agreement.

MISCELLANEOUS

If needed, we can include a cost estimate to provide our reports with specific parameters. However, costs for these reports vary between projects based on a wide range of variables so accuracy of such an estimate cannot be guaranteed.

The District agrees to allow The Connexion Group to use images and names of the Project for marketing purposes unless agreed otherwise. The District understands that The Connexion Group's services require certain documents to provide our opinion report. The District agrees to make their best efforts to provide these documents in a timely manner.

Thank you for your consideration. We look forward to a positive working relationship.

Sincerely,

Barrett Marrocco

Barrett Marrocco, PE
Principal

ATTACHMENT A: AUTHORIZED SERVICES

Public Improvement Cost Estimation— The Connexion Group will review the relevant documents provided by the Developer or District representations to identify which improvements are eligible for District Financing. We will prepare a cost estimate of the proposed civil infrastructure and allocate such costs as public or private expenditures. If requested, we will provide a corresponding exhibit showing the approximate improvement locations. The exhibit is to serve as a graphic aid for the estimate and demonstrating the public improvement locations.

Cost Share/Allocation – The Connexion Group will review the public infrastructure, determine the benefit of the specific infrastructure elements to the parties, and make a recommendation on the allocation of costs. The Connexion Group is familiar with a wide range of allocation methodologies and can provide the Districts with various alternatives if desired.

Cost Certification Report – The Connexion Group will prepare a report certifying to the District that that in our professional opinion, the costs included as part of the report are eligible for funding by the District, reasonable, and comparable to similar developments. To provide this report, we anticipate the following actions will be required:

- **Project Meetings:** As part of the Cost Certification process, The Connexion Group anticipates the need to hold a kick-off call to discuss our process with the Client. In addition to the kick-off call, it is anticipated that follow-up meetings will be necessary to complete the report.
- **Reference Document Review:** The Connexion Group will review the Development Agreement, Governing Document, Construction Drawings, and Plat to determine which improvements are public in nature and eligible for funding by the District. The Connexion Group can review any other applicable documents impacting eligibility or cost sharing that the District or Developer may be party to.
- **Invoice Review:** The Connexion Group will review the invoices and other material presented to substantiate the District Eligible Costs.
- **Quantity and Unit Cost Comparison:** The Connexion Group will perform select construction drawing take-offs to verify that the invoiced quantities generally match what is shown on the drawings. Select unit costs will be compared to similar developments to confirm overall reasonableness. Alternatively, the Connexion Group may compare overall Project costs to similar sized developments located in reasonable proximity to determine overall reasonableness.
- **Site Observation:** The Connexion Group may determine that it is necessary to visit the site to verify the status of construction and review the condition of the improvements being certified. While The Connexion Group will rely on information provided from the county, city, or design engineer for compliance with specifications, we reserve the right to review the condition of improvements prior to certifying the costs related to those improvements.
- **Report Delivery:** The Connexion Group will draft a report detailing our process, the materials reviewed, assumptions made, and our resulting findings regarding the total District Eligible Costs.

Other Services – Please do not hesitate to contact us with any needs or requests as we may be able to help. The Connexion Group has extensive experience working with special districts and the scopes listed above are not inclusive of all services offered. When services are requested by the Developer or their representative, The Connexion Group reserves the right to perform the service prior to written approval and the Developer in turn agrees to approve the requested at the same terms. While The Connexion Group may perform any requested service with verbal direction, we may request the service to be directed in writing following any conversation regarding the matter. In the event the services requested are not able to be provided by The Connexion Group, we may be able to recommend another trusted firm for you.

ATTACHMENT B: ADDITIONAL SERVICES COMMONLY PROVIDED BY THE CONNEXION GROUP

Infrastructure Conveyance Report – The Connexion Group will prepare a report with our recommendation regarding the conveyance of infrastructure to the District for ownership and maintenance.

Airborne Imagery – The Connexion Group will utilize unmanned aircraft to create high-quality bird's-eye view images and/or videos that focus on landscapes and surface objects. Imagery can be taken at set intervals to document construction progress. The images and video will be provided as a downloadable link to the District.

Minimum Cost Confirmation – The Connexion Group will review existing cost estimates of the public infrastructure and improvements to be financed by the District and confirm they exceed a set dollar amount. Our statement will be based on a review of construction contracts, quotes and preliminary engineering estimates provided by the Developer for the type and location of said proposed improvements.

Town Reimbursement Requests – The Connexion Group will review the development agreement (or similar), applicable code, construction documents, and costs to prepare a report requesting reimbursement for eligible improvements (typically those that benefit both offsite properties and the District). The report can include but is not limited to our findings regarding completion, fair market value, and allocation of the costs. The Connexion Group can attend meetings with the appropriate parties or jurisdictions as part of this scope of services. Please Note that The Connexion Group cannot provide legal advice on reimbursement agreements but are able to provide our professional opinion on inclusion of improvements, improvement costs, and allocation methodology.

Schedule of Value/Cost Estimation – The Connexion Group will review the construction documents to determine schedule of value line items and quantities. The line items will include items typically used by contractors to bid civil infrastructure projects. If desired, the schedule of values can be used for the purpose of soliciting contractor bids or verification contractor provided quantities are within reason. Although we strive to be as accurate as possible during quantity tabulation, we cannot guarantee they will match those required to complete to project. We can apply unit costs seen on similar projects for the purpose of determining an approximate civil infrastructure cost.

Development of District Rules and Regulations Regarding Civil Infrastructure – The Connexion Group can offer the District assistance in developing rules and regulations surrounding public infrastructure owned and/or operated by the District. This may include but is not limited to recommendations regarding best practices, scheduling, ownership demarcation, or special use cases.

Construction Administration – The Connexion Group will provide construction administration services to the District. We can provide a variety of scopes based on the District specific needs, wants, and budget. Construction administration provided by The Connexion Group can include but is not limited the following:

- **Project Bidding, Award Recommendation, and Contracting:** The Connexion Group will compile the appropriate documentation to conduct a public bidding process, review/analysis the bids to determine the lowest most responsible bidder and provide support to the Districts legal counsel through the contracting process.
- **Contractor Communications & Coordination:** The Connexion Group will serve as the liaison between the District and contractor regarding construction contract matters (advising the District on findings, conclusions, and recommendations). All coordination will be done in a timely and

professional manner. We will work to ensure that all contractual requirements of the owner or Engineer are met and notify the District of possible issues. This can include but is not limited to submittal approval coordination, shop-drawings approval coordination, construction update reports, coordination of multiple on-site contractors, subcontractor/supplier approval coordination, render decisions regarding the requirements of the contract documents, or judge the acceptability of the work. In rendering such decisions and judgments, we will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

- **Pay Application Creation & Review:** The Connexion Group will generate a pay application template to be included in the contract for the purpose of contractor progress payment. After receipt of each progress payment application from the contractor, either indicate in writing a recommendation of payment and present the Application to Owner, or return the Application to the contractor indicating our reasons for refusing to recommend payment. We may recommend reductions in payment necessary in our opinion to protect the District from loss. The Connexion Group will perform Site visits at intervals appropriate to the various stages of construction as we deem necessary in order to observe, as an experienced and qualified design professional, the progress has progressed to the point indicated by the contractor.
- **Change Order Review & Recommendation:** The Connexion Group will review contractor change order request to confirm the request is reasonable and meets the requirements of the contract. Changes to the contract generally involve (1) the performance or acceptability of the work, (2) the design (as set forth in the drawings, specifications, or otherwise), or (3) other engineering or technical matters. We can verify that sufficient back-up documentation was provided, quantity changes are accurate, unit costs are appropriate, and time changes are reasonable. After review, The Connexion Group will make a recommendation to the District regarding approval of the proposed change order. Additionally, The Connexion Group can propose any credit or time change orders not submitted by the contractor resulting from changes in design or work to be complete.
- **Corrective Actions Punch List:** For work to be owned or maintained by the District, The Connexion Group will perform a site observation of the work to determine the status of completion and issue a punch list including all particulars in which this observation revealed that the work, or agreed portion thereof, is incomplete or defective. After correction of the items by the contract, we can perform additional site visits to verify completion of the work or that defective work was repaired. Once completion of the punch list items is determined, we will issue a letter to the District indicating such.
- **Final Payment Recommendation:** The Connexion Group will review the final Application for Payment and accompanying documentation, and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Contractor under the contract, to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals, that the results certified indicate compliance with the Contract Documents. The Connexion Group can make public postings on behalf of the District confirming there are no outstanding liens or claims against the infrastructure proposed for final payment. Once we have determined that final payment is appropriate, we will notify the District.