



May 11, 2021

**VIA EMAIL**

Carl Schueler  
City of Colorado Springs  
P.O. Box 1575  
Colorado Springs, CO 80901

Re: Chaparral Pointe Metropolitan District (the "**District**"): Proposed General Obligation Limited Tax Cash Flow Bonds, Series 2021A(3)

Dear Carl:

Pursuant to Section V.A.10. of the Service Plan for Chaparral Pointe Metropolitan District approved by the City of Colorado Springs (the "**City**") on September 11, 2018 (the "**Service Plan**"), and following our meeting with the Budget Committee on April 27, 2021, I am writing today to provide an overview of the District's proposed General Obligation Limited Tax Cash Flow Bonds, Series 2021A(3) (the "**Series 2021A(3) Bonds**") in anticipation of the City Council Work Session scheduled for May 24, 2021.

Pursuant to the authority granted to the District by its Service Plan, the District is authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements (as defined in the Service Plan) from its revenue and by and through the proceeds of Debt to be issued by the District. The Service Plan provides for a Total Debt Issuance Limitation of \$5,000,000.

The District and Century Land Holdings, LLC (the "**Developer**") are parties to that certain Facilities Funding and Acquisition Agreement effective as of December 10, 2018 (the "**FFAA**") wherein the District agreed to provide, construct and/or acquire certain public improvements, including water, sanitation (including storm and sanitary sewer), street, safety protection, park and recreation, transportation, television relay and translation, and mosquito control and other facilities and services as generally described in the Service Plan (together with any other public improvements to be acquired by the District, the "**Public Improvements**"). In order to encourage development within the District, the District and the Developer determined that until bonds were issued, it was in the best interests of the District for the Developer to advance funds to the District for the costs associated with the Public Improvements. The FFAA also provides that the District anticipates the issuance of bonds, the proceeds of which would be utilized, in part, to reimburse the Developer for such costs.



The District anticipates issuing its Series 2021A(3) Bonds, in an estimated maximum aggregate principal amount not to exceed \$1,400,000, to reimburse a portion of the costs expended by the Developer pursuant to the FFAA. The District is in the process of working with an independent engineer to verify the costs provided by the Developer as eligible reimbursable expenses and will provide the report to the City upon completion, if requested. The combined estimated Public Improvement costs total \$1,606,485.00, and are outlined below along with the status of each set of improvements:

- Perimeter wall:
  - Estimated costs: \$123,423
  - 75% complete
- Curb, gutter, and roadways:
  - Estimated costs: \$685,217
  - 100% complete
- Storm sewer, detention pond and pipe:
  - Estimated costs: \$153,866
  - 100% complete
- Community landscaping:
  - Estimated costs: \$213,242
  - 10% complete, anticipated be completed in May 2021
- Water and sewer system
  - Estimated costs: \$430,737
  - 100% complete

The following documents have been provided electronically via email:

1. Term Sheet related to the Series 2021A(3) Bonds;
2. Draft Financing Plan prepared by D.A. Davidson regarding the Series 2021A(3) Bonds
3. Draft Indenture of Trust between the District and UMB Bank, N.A. as Trustee relating to the Series 2021A(3) Bonds;
4. Draft Certified Record of Proceedings related to the Series 2021A(3) Bonds;
5. Form of General Counsel Opinion related to the Series 2021A(3) Bonds; and
6. Form of Bond Counsel Opinion related to the Series 2021A(3) Bonds.

In addition, the Authorization of Debt Issuance by District Fee check in the amount of \$1,100 made payable to the "City of Colorado Springs" has previously been submitted to the City Clerk's office.



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We appreciate the opportunity to discuss the Series 2021A(3) Bonds with the City Council at the Work Session on May 24, 2021.

Thank you for your assistance with this matter.

Very truly yours,

MCGEADY BECHER P.C.

A handwritten signature in cursive script that reads "Elisabeth A. Cortese". The signature is fluid and elegant, with the first name being the most prominent.

Elisabeth A. Cortese