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City Council
City of Colorado Springs, Colorado

Copper Ridge Metropolitan District
In the City of Colorado Springs, Colorado
2014 Loan Agreement and Related Promissory Note

Ladies and Gentlemen:

We have been engaged as bond counsel to Copper Ridge Metropolitan District, in the City of Colorado Springs, Colorado (the "District") in connection with the proposed execution and delivery of a Loan Agreement between the District and Integrity Bank & Trust (the "Lender"), providing for a loan to be made by the Lender to the District in the approximate amount of up to $3,000,000 (the "Loan"), as further evidenced by a Taxable Promissory Note (the "Note") to be issued by the District to the Lender in the principal amount of the Loan (the obligations of the District represented by the Loan Agreement and the Note are collectively referred to herein as the "Obligations"). The Loan is being issued as a "draw-down" loan, with an initial funded, and permitted subsequent advances, provided that the total amount thereof is not to exceed $3,000,000. The Obligations will constitute taxable limited tax general obligations of the District. A form of the Loan Agreement, including, as an exhibit, a form of the Note, accompany this letter, and all statements made in this letter concerning the provisions of the Obligations assume that the Loan Agreement and the Note are executed in substantially the forms so presented to you. This letter is provided, pursuant to your request, with regard to the Service Plan for Copper Ridge Metropolitan District, approved by the City of Colorado Springs, Colorado on March 11, 2008 (the "Service Plan"). (All capitalized terms used herein and not otherwise defined have the meanings assigned them in the Service Plan.)

In accordance with the Loan Agreement, the Obligations are being incurred for the purposes of: (i) reimbursing Copper Ridge Development Inc. (the "Developer") for the costs of Public Improvements, in accordance with one or more reimbursement agreements between the District and the Developer, (ii) funding costs of issuance of the Loan (including a commitment fee to the Lender), and (iii) potentially, in the case of future advances of the Loan, funding capitalized interest. (See Sections 2.02(a) and 4.03 of the Loan Agreement.) Pursuant to the Loan Agreement, the District will covenant to impose, for the payment of the Loan, an ad valorem property tax mill levy not in excess of 50 mills, subject to adjustment for changes occurring in the methods of calculating assessed valuation after January 1, 2008. (See the definition of "Limited Mill Levy.") Pursuant to the Loan Agreement, the District will pledge to the payment of the Loan the property tax revenues resulting from such ad valorem property tax mill levy (whether received directly by the District from the County or, to the extent constituting tax increment property taxes, if received by the District from the Colorado Springs Urban Renewal Authority pursuant to the Redevelopment Agreement (as defined in the Loan Agreement)). The District will also pledge the proceeds of a public improvement fee imposed against the property within the development, as more particularly described in the Loan Agreement. (See definition of "Pledged Revenue.") The Loan will mature December 1, 2025 and, as a result, the District does not anticipate imposing an ad valorem property tax levy for the payment of the Loan after December 2024; the Loan Agreement further provides that in no event is the District to impose an ad valorem property tax debt service mill levy after December 2043. (See Section 5.09.) Failure to pay principal of and interest on the Loan does not constitute an event

of default under the Loan Agreement. (See Section 7.01.) The Lender will represent that it is a financial institution or institutional investor as defined in Section 32-1-103(6.5), Colorado Revised Statutes, as amended, and also is an "accredited investor" as defined in Section 11-59-110(1)(g), Colorado Revised Statutes, as amended. The Loan is transferable only in minimum denominations of $100,000 and only to an accredited investor executing an investor letter. The form of the Note contains the disclosure language required by the Service Plan to be included in Debt instruments, and Section 8.13 contains further disclosure language with respect to the Loan not constituting an obligation of the City. The maximum principal amount of the Loan ($3,000,000) will exceed 10% of the current assessed valuation of taxable property within the District.

It is our understanding, based on statements by representatives of the District and the Developer, and our assumption for purposes of this letter (provided that we have not independently verified the facts that form the basis of the same), that: (i) the amounts intended to be paid to the Developer represent costs of Public Improvements (as defined in the Loan Agreement); (ii) the District's engineer has provided (or, in the case of future advances of the Loan, will provide) cost certifications with respect to the costs of such Public Improvements to be reimbursed to the Developer; (iii) such Public Improvements consist of "capital improvements with a public purpose necessary for development" within the meaning of Section V.A.2 of the Service Plan; (iv) there is an Approved Development Plan for property within the District's Service Area; and (v) pursuant to the Loan Agreement previously entered into by the District in 2013, the District first imposed a debt service mill levy in 2013, and did not, prior to 2013, impose a debt service mill levy. We have further assumed, for purposes of this letter, the approval of the incurrence of the Obligations (in the principal amount of up to $3,000,000) by the approving vote of at least two-thirds of the City Council (as required by Sections V.A.2. and V.A.10. of the Service Plan), and the delivery of a certification of an External Financial Advisor with respect to the Obligations (as required by Section V.A.6. of the Service Plan.)

Based upon the foregoing, including the above-described representations of the District and the Developer, we have determined that the incurrence by the District of the Obligations as set forth above is in compliance with all requirements of the Service Plan applicable thereto, as well as all applicable laws of the State of Colorado, including Title 32, Article 1, Colorado Revised Statutes, as amended, and Title 11, Article 59, Colorado Revised Statutes, as amended.

This letter is given as of the date hereof solely for your purpose in evaluating the appropriateness of consenting to the execution and delivery of the Loan Agreement and Note.

Sincerely,

Kimberly Casey Reed

Kutak Rock LLP