



October 27, 2020

VIA EMAIL

Carl Schueler
Comprehensive Planning Manager
City of Colorado Springs
107 N. Nevada Avenue
Colorado Springs CO 80903

Re: Colorado Crossing Metropolitan District No. 2
Proposed Limited Tax General Obligation Refunding Bonds, Series 2020A-1; Proposed
Limited Tax General Obligation Bonds, Series 2020A-2; and Proposed Subordinate
Limited Tax General Obligation Bonds, Series 2020B-2

Mr. Schueler:

We act as general counsel to Colorado Crossing Metropolitan District No. 2 (the “**District**”) and previously, on September 14, 2020, we submitted an application for approval of the Finance Plan associated with the District’s proposed issuance of Bonds (defined below), which is required pursuant to the Districts’ Consolidated Service Plan (“**Original Application**”). The par amounts of the Bonds were, at the time of the Original Application, and still remain, preliminary. Final par amounts and interest rates will not be determined until pricing and sale of the Bonds. However, since submission of the Original Application, the Districts have received updated market assumptions and information and, as a result, the Districts have been able to update the anticipated par amounts based upon such information. As such, at this time and based upon current market conditions, the District is preparing to issue approximately \$23,365,000 of Limited Tax General Obligation Refunding Bonds, Series 2020A-1, approximately \$21,140,000 of Limited Tax General Obligation Bonds, Series 2020A-2, and approximately \$4,818,000 of Subordinate Limited Tax General Obligation Bonds, Series 2020B-2 (collectively, the “**Bonds**”)¹. These par amounts are consistent with what was presented at the City Council Study Session on October 26, 2020. Enclosed are updated term sheets and financial plans that also reflect the updated assumptions relative to the Bonds.

Irrespective of the updated financial assumptions, the structure of the proposed Bonds, and the substantially final forms of the Bond Indentures and Capital Pledge Agreements (“**Bond Documents**”) among the Districts that were provided with the Original Application, remain materially the same.

¹ This remains an estimated amount for each series of bonds which will be finalized upon the pricing and sale of the Bonds and ultimately be more or less than the estimate stated in this letter.

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In providing this updated letter, we assume the City Council for the City will approve the issuance of the Bonds by an approving vote of at least two-thirds of the City Council members (“**Finance Plan Approval**”). Additionally, concurrently with this request for approval, the Districts have requested City Council approval of a Third Amendment to Service Plan (the “**Third Amendment**”) to recognize the increased costs of Public Improvements necessary within the Service Area of the Districts and to, resultantly, increase the maximum amount of Debt the Districts may issue for such purposes. In providing this letter, we also assume the City Council for the City will approve the Third Amendment (“**Third Amendment Approval**”).

Based on and assuming the foregoing, and specifically contingent upon the receipt of the Finance Plan Approval and the Third Amendment Approval, the issuance by the District of the Bonds, and the participation of District No. 1 and District No. 3 relative to pledging certain revenues to the Bonds pursuant to the Bond Documents, will be in compliance with the provisions of the Consolidated Service Plan, as amended by the Third Amendment, at the time of issuance.

This letter is provided to the City Council as of the date hereof solely for the purpose of evaluating the appropriateness of the City Council’s consent to the issuance of the Bonds.

Very truly yours,

MCGEADY BECHER P.C.

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c: Boards of Directors, Colorado Crossing Metropolitan District Nos. 1, 2 and 3