

_____, 2023

Chapel Heights Metropolitan District
Colorado Springs, Colorado

NBH Bank
Denver, Colorado

Up to \$ _____
Chapel Heights Metropolitan District
City of Colorado Springs, Colorado
Limited Tax General Obligation Advancing Improvement Loan
Series 2023

Ladies and Gentlemen:

We have acted as Bond Counsel to Chapel Heights Metropolitan District, in the City of Colorado Springs, Colorado (the “District”), in connection with the above captioned loan (the “Loan”) made by NBH Bank (the “Lender”) to the District in a principal amount of up to \$ _____. The Loan is being made pursuant to a Loan Agreement dated as of _____, 2023, by and between the Lender and the District (the “Loan Agreement”). The District’s payment obligations under the Loan are evidenced by a Promissory Note dated as of _____, 2023, from the District to the Lender pursuant to the Loan Agreement (the “Note”). The execution and delivery of the Loan Agreement and the Note (the “Loan Documents”) have been authorized by a resolution of the Board of Directors of the District adopted on _____, 2023 (the “Resolution”), and applicable Colorado law. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Documents.

We have examined and relied on originals or copies certified or otherwise identified to our satisfaction of such documents, instruments, corporate records, certificates, representations, opinions and letters, and have conducted such investigations of law as we have deemed necessary to render the opinions set forth herein, including, without limitation, certificates and representations of the District and others as to: (i) the nature, use, cost, and economic life of the facilities being financed with the proceeds of the Note, (ii) the intended application of the proceeds of the Note, and (iii) other matters relating to the exclusion of the interest on the Loan from gross income for federal income tax purposes. We have not made any independent inquiry to verify the accuracy of factual information set forth in such documents, instruments, corporate records, certificates, representations, opinions and letters, and nothing has come to our attention which has led us to conclude that such information, taken as a whole, is materially inaccurate.

We have assumed the genuineness of all signatures on, and the legal capacity of all individuals who have executed, the documents we have reviewed; the authenticity of all such documents submitted to us as originals; the conformity with authentic originals of all such documents submitted to us as copies; and the due authority of the parties and their respective representatives executing such documents.

With permission, we have also relied upon and assumed the accuracy of the opinion of Spencer Fane LLP, general counsel to the District, of even date herewith, with respect to the due organization, nature and existence of the District, the absence of litigation or similar claims against the District, the due adoption by the District of the Resolution, that the Resolution is in full force and effect, and the due authorization, execution, and delivery of the Loan Documents by the District.

Based upon the foregoing, we are of the opinions, under existing law, as follows:

1. The Note constitutes the legal, valid, and binding general obligation of the District, and is enforceable against the District in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting creditors' rights generally and may also be subject to the exercise of judicial discretion in appropriate cases.

2. The Loan Agreement and the Resolution each constitutes the legal, valid, and binding obligation of the District and each is enforceable against the District in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting creditors' rights generally and may also be subject to the exercise of judicial discretion in appropriate cases.

3. The District is required under the Loan Agreement to impose a debt service mill levy in the amount of the Required Mill Levy on all property subject to taxation by the District, when and as required by the Loan Agreement.

4. Under the statutes, regulations, rulings, and judicial decisions existing on the date hereof, subject to the assumption stated below, interest on the Note is excludable from gross income of the owners thereof for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Note is not excluded from the determination of adjusted financial statement income.

5. Under the statutes, regulations, rulings, and judicial decisions existing on the date hereof, for any period during which interest on the Note is excludable from gross income for federal income tax purposes, interest on the Note is excludable from taxable income for purposes of the Colorado income tax and the Colorado alternative minimum tax.

The opinions set forth in subparagraphs 4 and 5 above assume the accuracy of certain representations by the District and are subject to continuing compliance by the District with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, that must be met subsequent to the issuance of the Note. Failure to comply with such requirements could cause interest on the Note to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinions,

retroactive to the date of issuance of the Note. The District has covenanted in the Loan Agreement and the Arbitrage and Tax Certificate executed and delivered by the District in connection with the issuance of the Note to comply with such requirements.

In addition, we note that the federal tax law on the date of a particular draw with respect to the Note governs the exclusion of interest on such draw because, for federal income tax purposes, each draw is considered an issuance of a new obligation. Thus, if federal tax law changes with respect to the exclusion of interest from gross income prior to a particular draw on the Note, the changed law will apply to that particular draw.

The District, pursuant to the Resolution, has designated the Note as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, and has represented that it meets the requirements for such designation.

Except as expressly stated in this opinion, we express no opinion regarding federal, state or other tax consequences arising with respect to the Loan Agreement and the Note. In addition, we express no opinion herein regarding applicability of, or compliance with, any federal or state securities laws.

In performing our services as Bond Counsel, the District is our sole client in the transaction that is the subject of this letter, and we have not been engaged by, and have not undertaken to advise any other party, including any other addressees of this letter, or to opine as to matters not specifically covered herein. This letter is not a guarantee of any result.

This letter is furnished by us as Bond Counsel, is solely for the benefit of the addressees and may not be relied upon by any other person or entity, provided, however, that any successor or assign of Lender may rely on this opinion as if it were addressed to it. Our opinion is rendered only with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or any other material of any kind not specifically opined on above. No other opinions are intended and they should not be inferred. We disclaim any obligation to update, revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever. It should be noted that we are members of the Bar of the State of Colorado and this opinion is limited in all respects to matters of Colorado and federal law. Our opinion herein is not to be used, circulated, quoted or otherwise referred to for any other purpose without our express written permission, except that this opinion may be included in the official transcript of proceedings relating to the Loan.

Very truly yours,