

DRAFT

City Council
City of Colorado Springs, Colorado

Dublin North Metropolitan District
In the City of Colorado Springs, Colorado
2014 Loan Agreement and Related Promissory Notes

Ladies and Gentlemen:

We are general counsel to Dublin North 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 NBH Bank, N.A. (the "Lender"), providing for a loan to be made by the Lender to the District in the approximate amount not to exceed \$2,000,000 (the "Loan"), as further evidenced by two Promissory Notes (the "Notes") to be issued by the District to the Lender. The Loan Agreement and the Note are collectively referred to herein as the "Obligations"). The Obligations will constitute limited tax general obligations of the District. 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 presented to you. This letter is provided, pursuant to your request, with regard to the Service Plan for Dublin North Metropolitan District, approved by the City of Colorado Springs, Colorado and dated February 12, 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 Apaloosa Investments, LLC (the "Developer") for the costs of Public Improvements, in accordance with one or more reimbursement agreements between the District and the Developer, and (ii) funding costs of issuance 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 30 mills, subject to adjustment for changes occurring in the methods of calculating assessed valuation after January 1, 2008. 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. Failure to pay principal of and interest on the Loan does not constitute an event of default under the Loan Agreement. 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 to an accredited investor. The form of the Note contains the disclosure language required by the Service Plan to be included in Debt instruments, and contains further disclosure language with respect to the Loan not constituting an obligation of the City.

It is our understanding, based on a certification by a third party engineer, and 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; (ii) the District's engineer has provided 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) the District has not previously imposed a debt service mill levy (and, therefore, 2015 will be the first year in which the District imposes a debt service mill levy). We have further assumed, for purposes of this letter, the approval of the incurrence of the Obligations by the approving vote of the City Council, and the delivery of a certification of an External Financial Advisor with respect to the Obligations.

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 which we have express knowledge.

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,

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

George M. Rowley