



MATTHEW R. DALTON
DIRECT DIAL: (303) 839-3706
mdalton@spencerfane.com

File No. 51145162-2300

December 21, 2017

VIA ELECTRONIC MAIL

Carl Schueler, AICP
Comprehensive Planning Manager
City of Colorado Springs
30 South Nevada Avenue
Colorado Springs, CO 80903
cschueler@springsgov.com

Re: Banning Lewis Ranch Regional Metropolitan District; Proposed Second Amended and Restated Service Plan

Dear Carl,

As you and I discussed, submitted with this letter please find a draft of the proposed Second Amended and Restated Service Plan for the Banning Lewis Ranch Regional Metropolitan District (the "District"). For your convenience, we've included both a clean version and a redline version of the proposed Second Amended and Restated Service Plan (the "Service Plan"), redlined to show all changes from the District's First Amended and Restated Service Plan approved by City Council on June 22, 2010.

A few important characteristics of the Service Plan are as follows:

1. The Service Plan identifies the termination of the Modified and Restated Wastewater Facilities Participation, Utilization and Service Agreement as the primary reason for amending the District's Service Plan, and in light of its termination generally repurposes the District to provide only "Regional Public Improvements" to support the Banning Lewis Ranch project as further described in the Service Plan.
2. Pursuant to the Service Plan, the District will continue to coordinate with Banning Lewis Ranch Metropolitan District No. 1 ("District No. 1") for the provision of the District's operations, and will directly coordinate the financing of the proposed Regional Public Improvements through an IGA with District No. 1.
3. The Service Plan expressly provides the District will not interfere with or duplicate improvements or services actually provided by Banning Lewis Ranch Metropolitan District Nos. 1-5 or 7.
4. The Service Plan requires that all Regional Public Improvements will be conveyed to either the City or Springs Utilities following completion.
5. The Service Plan continues the District's mill levy caps of 9 mills for debt service and 1 mill for operations and maintenance, subject to Gallagher adjustments.
6. The Service Plan continues the requirement that all debt issued by the District must be approved by the City, and does not include a maximum debt limit for the District. The District's debt capacity will be primarily and substantially limited by the District's debt service mill levy cap of 9 mills. In addition, all debt of the District will be issued in coordination with District No. 1.

DN 2878649.1



SpencerFane

January 1, 1901
Page 2

As you know, the District would like to move forward with the Service Plan as soon as possible. We greatly appreciate your review and input on the enclosed draft and look forward to discussing this matter further. Please let us know if you have any questions.

Sincerely,

Matthew R. Dalton

Matthew R. Dalton

MRD/
Enclosure