

ALEX BROWN CONSULTING

Ms. Donna Erickson, President
Copper Ridge Metropolitan District
13540 Meadowgrass Lane, Suite 200
Colorado Springs, CO 80921

March , 2016

RE: \$11,250,000 Limited Tax General Obligation Bonds

Dear Ms. Erickson-

The purpose of this letter is to provide the certification required pursuant to the District's Service Plan dated March 11, 2008. I am a registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and act as the independent financial advisor within the meaning of the District's Service Plan. I have reviewed the terms and conditions of the proposed borrowing.

I certify that (1) the net effective interest rate (calculated as defined in Section 32-1-1-3 (12), CRS to be borne by the Series 2016 Loan Agreement does not exceed a reasonable current taxable interest rate using criteria deemed appropriate by me based upon my analysis of comparable non-rated securities; and (2) the structure of the Series 2016 Loan Agreement, including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

In particular, the following features of the Loan Agreement were considered in reaching this conclusion:

- 1) The District does not have audits for all prior fiscal years due to the limited revenues received annually. The lack of audits discourages many investors from considering obligations of this nature. The District first commenced preparing annual audits effective with the 2013 fiscal year.
- 2) The District has an emerging tax base and is partly developed at this time.
- 3) There exists some concentration of taxpayer liability at the time of this loan.
- 4) The terms allow for the issuance of additional bonds, subject to meeting certain financial benchmarks, without the approval of the investor.
- 5) The loan is a restricted investment which can only be transferred to an accredited investor who signs the required investor letter.
- 6) The interest rate is for a tax-exempt obligation.
- 7) The loan is secured by a limited tax rate pledge and a public improvement fee (PIF). The PIF has similarity to a municipal sales tax and some variability in collection amounts can be anticipated.

Please contact me in the event you would like any additional information.

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