

To: Carl Schueler
From: Stifel
Date: January 19, 2021
Subject: Copper Ridge Metropolitan District, Series 2020 Loan Summary

MEMO

This memo and the attachments present information pertaining to a proposed debt issue by the Copper Ridge Metropolitan District (the "District"). The District is seeking approval to issue up to \$6.00 million in debt. The material submitted is the same as that presented to the City of Colorado Springs in connection with previous approvals for bond issuances.

Development of the District is continuing at a steady pace. Over 65-businesses have opened, including Bass Pro Shops, Sprouts Farmers Market and Ace Hardware. In addition, there are several other businesses that are currently constructing facilities and are scheduled to open in 2021. Consistent with the District's Service Plan and other project documents, the District is responsible for funding construction of public improvements required to support ongoing development.

The transaction documents will allow the District to borrow an additional \$6.00 million for authorized public improvements.

This funding includes:

Reimbursement of Public Access Roads	\$2,050,000
Construction of Quality Water Pond and Associated Grading	\$1,200,000
Landscaping	\$750,000
Construct Underground Water Quality Pond	\$1,875,000
Cost of Issuance	\$125,000

The 2021 Loan will be issued on parity with the District's other outstanding debt. The Note will be secured by a limited property tax pledge, specific ownership taxes, and a 1% public improvement fee.

Stifel has been retained by the District to serve as placement agent on the issue. Ballard Spahr serves as bond counsel and Susemihl, McDermott & Downie serves as the District's Counsel.

The general terms of the bonds are as follows:

- Term of 18-years.
- Interest rate will be fixed for the term of the issue.
- Secured by limited property tax (capped at 50 mills), Specific Ownership Tax, and Public Improvement Fees (PIF).
- The 2021 Note will be privately placed with NBH Bank, which also owns the 2016 Note and the 2018 Note.
- No offering statement or continuing disclosure agreement will be required.
- Estimated closing will be March 2021.
- Estimated rate as of 1/12/2021 is 3.13% fixed for the 18- year term.
- The 2021 Loan will be structured as 4 draws of \$1.50 million, which will occur between closing and 12/1/2022.

Included with this memo are the following attachments:

1. Term Sheet from NBH Bank;
2. Loan Agreement between the District and NBH Bank;
3. Estimated Debt Service and Financial Forecast;
4. Certificate of Financial Advisor;
5. Copper Ridge Opinion Letter; and
6. A List of Improvement's to be Funded/Reimbursed by Proceeds