



RUSSELL W. DYKSTRA
DIRECT DIAL: 303.839.3845
rdykstra@spencerfane.com

File Nos. 5114579-0002; 5114580.0002

August 23, 2019

Carl Schueler
Comprehensive Planning Manager
City of Colorado Springs
City Administration Building
30 S. Nevada Avenue, Suite 105
Colorado Springs, Colorado 80903

Re: Upper Cottonwood Creek Metropolitan District Nos. 2 & 3 – 2019 Bond Issuance

Dear Mr. Schueler:

This office represents the Upper Cottonwood Creek Metropolitan District No. 2 (“District No. 2”) and the Upper Cottonwood Creek Metropolitan District No. 3 (“District No. 3”) (collectively, the “Districts”). The Districts would like to issue bonds this year and are seeking approval from the Colorado Springs City Council.

On behalf of District No. 2, please find enclosed copies of: (a) the resolution and form of bond for the limited tax general obligation bond, Series 2019 (the “District No. 2 2019 Bonds”); (b) a certification of RBC Capital Markets, LLC, an External Financial Advisor, regarding the fairness and feasibility of the interest rate and the structure of the District No. 2 2019 Bonds; (c) an opinion letter from Mr. Arnold Kaplan at Spencer Fane LLP as bond counsel confirming that the proposed bond issuance is consistent with applicable law and regulations; and (d) an opinion letter from Mr. Russell Dykstra at Spencer Fane LLP as District counsel confirming that the proposed bond issuance is consistent with the District’s Service Plan, the City of Colorado Springs’s current policy relating to special districts, and applicable law. In addition, the application fee in the amount of \$1,100 is enclosed herewith.

On behalf of District No. 3, please find enclosed copies of: (a) the resolution and form of bond for the limited tax general obligation bond, Series 2019 (the “District No. 3 2019 Bonds”); (b) a certification of RBC Capital Markets, LLC, an External Financial Advisor, regarding the fairness and feasibility of the interest rate and the structure of the District No. 3 2019 Bonds; (c) an opinion letter from Mr. Arnold Kaplan at Spencer Fane LLP as bond counsel confirming that the proposed bond issuance is consistent with applicable law and regulations; and (d) an opinion letter from Mr. Russell Dykstra at Spencer Fane LLP as District counsel confirming that the

proposed bond issuance is consistent with the District's Service Plan, the City of Colorado Springs's current policy relating to special districts, and applicable law. In addition, the application fee in the amount of \$1,100 is enclosed herewith.

The anticipated interest rate will be 6.0% on the District No. 2 2019 Bonds and the bond amount will be approximately \$2,300,000. The anticipated interest rate will be 6.0% on the District No. 3 2019 Bonds and the bond amount will be approximately \$7,200,000. The District No. 2 2019 Bonds will be repaid by a mill levy that will not exceed 33.166 mills in 2019 and 33.397 mills per year for years 2020 through 2049, subject to Gallagher adjustments. The District No. 3 2019 Bonds will be repaid by a mill levy that will not exceed 33.397 mills per year, subject to Gallagher adjustments. The District No. 2 2019 Bonds and the District No. 3 2019 Bonds will have a 30-year term and will finally mature in 2049.

The Districts intend to, or already have constructed certain public improvements, as provided for in the Districts' Service Plan, and will use the funds from the District No. 2 2019 Bonds and the District No. 3 2019 Bonds, respectively, to finance such construction. The District No. 2 2019 Bonds and the District No. 3 2019 Bonds will be privately placed by RBC Capital Markets, LLC. The public improvements the District intends to finance with the District No. 2 2019 Bonds and the District No. 3 2019 Bonds include water, sanitation, street, road, safety protection, television relay and translation, landscape, park and recreation, and storm and wastewater improvements.

At your earliest convenience, please have City Council review the enclosed documents to ensure that the District No. 2 2019 Bonds and the District No. 3 2019 Bonds are being issued in compliance with the Special District Policy. If you have any questions, or need anything further, please do not hesitate to contact this office.

Sincerely,

/s/ Russell W. Dykstra

Russell W. Dykstra

Enclosures