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May 3, 2019

Via email

Board of Directors
Creekwalk Marketplace Business Improvement District
102 South Tejon
Colorado Springs, Colorado 80903

Re: 1609 South Nevada Avenue, LLC

Dear Board of Directors:

Thank you for sending me Jeff Massey's letter of April 17, 2019 to Carl Schueler in which a number of entities, including 1609 South Nevada, LLC, seek to exclude their properties from the Creekwalk Marketplace Business Improvement District. I was out of the country beginning April 12 and only returned to the office a few days ago, so I apologize for the delay in writing to you.

This request by 1609 South Nevada, LLC appears to be an attempt to frustrate adjudication of this matter by the El Paso County District Court. The BID filed suit on July 3, 2018 to compel 1609 South Nevada Avenue, LLC to honor its obligations under the Facilities Funding and Reimbursement Agreement. That Agreement was part of 1609 South Nevada Avenue, LLC's effort to obtain financing for infrastructure construction, and a material part of the deal between the parties was the BID's consenting *at 1609 South Nevada, LLC's request* to 1609 South Nevada Avenue, LLC's Petition for Inclusion of Property Into Creekwalk Marketplace Business Improvement District on October 12, 2017.

Now, it appears, 1609 South Nevada, LLC is trying to get City Council's blessing to be excluded from the BID in circumstances in which a court may well rule that 1609 South Nevada Avenue, LLC is bound by its deal with the BID and denies 1609 South Nevada Avenue, LLC's efforts to back out of its deal with the BID.

Board of Directors
Creekwalk Marketplace BID
May 3, 2019

Finally, I note that the timing of 1609 South Nevada Avenue, LLC's request is suspicious. This matter has been in dispute since at least January 2018 when the parties first gave voice to their disagreement, and has actively been litigated ever since we filed suit. If 1609 South Nevada Avenue, LLC were trying to sever their relationship with the District in good faith and not to obtain some procedural leverage in the litigation, they would have raised this issue shortly after the Petition for Inclusion was granted.

I hope City Council is not inclined to allow 1609 South Nevada Avenue LLC to countenance the request for exclusion after a year and a half of good faith reliance by the BID on the integrity of the inclusion that 1609 South Nevada Avenue LLC persuaded you to consent to.

Feel free to call if you have any questions. I apologize for the electronic signature; I am out of the office today without access to a printer.

Sincerely,

Stephen

Stephen A. Hess

SAH/pc