

August 6, 2018

via e-mail: cschueler@springsgov.com

Mr. Carl Schueler
Comprehensive Planning Manager
City of Colorado Springs, Planning and Development
30 S. Nevada Ave., Suite 105
Colorado Springs, CO 80903

Re: Powers Metropolitan District – 2018 Bonds

Dear Mr. Schueler:

The law firm of Seter and Vander Wall, P.C. represents the Powers Metropolitan District (the “**District**”). The District is located wholly within the City of Colorado Springs and encompasses approximately 50 acres at the southwest corner of Barnes Road and N. Powers Blvd. The District contains only commercial and vacant land. It is anticipated that there will not be any residential development within the District.

Pursuant to Section V.A.10 of the District’s Service Plan, approval by the City of Colorado Springs is required prior to the District’s issuance of any bonds or other debt instruments.

Recently, the development of the Powers Pointe Shopping Center at the corner of Barnes Road and N. Powers Blvd. created an opportunity for the District to issue bonds for the costs of public improvements required for the shopping center as well as public improvements previously constructed that were required for development at the southern end of the District.

The total amount of the bonds the District intends to issue is approx. \$3.38 million at an anticipated interest rate of 5.75% with a final maturity of December 1, 2018 (30 year bond).

Attached for your review are the following:

1. Indenture of Trust (DRAFT of 08.03.2018). The Indenture of Trust contains the terms and conditions under which the bond will be issued, including: (a) the revenue pledged to the repayment of the bond; (b) rate (final rate not known until pricing, but currently estimated at 5.75%); (c) term of bond; (d) the events of default, including language that so long as the maximum pledged mill levy is imposed, the District will not be in default on its bonds.
2. General Counsel Opinion (DRAFT of 08.06.2018). The General Counsel Opinion will provide the opinion of Seter & Vander Wall, P.C. that the bonds were validly issued by the District.

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3. Financial Projections. The Financial Projections consist of (a) the Term Sheet; and (b) the financial calculation and projections.

4. Cost Certifications. Independently prepared cost certification letters and backup spreadsheets for the improvements to be funded by the District, including a certification of costs for improvements funded by (1) Carefree & Powers SW, Inc. and (2) TSG Colorado Springs, LLC.

5. Maps. Included are (a) District boundary map from the service plan (Parcels in the District are identified as P1, P2 and P3) and (b) Powers Pointe Shopping Center tenant map. There is no tenant map for the tenants located within parcel P3, but this area primary contains a Kum & Go gas station and a few small retail spaces.

For your convenience, also included is a list of persons participating in the transaction as either members of the District's Board of Directors or as consultants.

Please feel free to call or e-mail me (jerb@svwpc.com) with any questions.

Sincerely,

SETER & VANDER WALL, P.C.

A handwritten signature in black ink, appearing to read "Jeffrey E. Erb". The signature is stylized and cursive.

Jeffrey E. Erb