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File No. 5030407.0002

July 2, 2019

VIA HAND DELIVERY AND E-MAIL

City Clerk's Office
P.O. Box 1575
30 S. Nevada Ave., Suite 101
Colorado Springs, Colorado 80901
Cityclerk@springsgov.com

Re: Transmittal Letter - (Proposed) Chapel Heights Metropolitan District

Dear Clerk:

This firm serves as legal counsel to Challenger Homes ("Petitioner"). On behalf of the Petitioner, enclosed are the formal submittal materials for the (Proposed) Chapel Heights Metropolitan District (the "District") pursuant to the "Special District Act," Section 32-1-101, et seq., of the Colorado Revised Statutes. The enclosed materials include the following:

1. Special District Transmittal Form;
2. Fifteen copies of the Service Plan (redline and clean) for the proposed District; and
3. A check in the amount of \$3,500 for the application fee.

The following information is being provided pursuant to the City of Colorado Springs Transmittal Form Requirements:

- a. Justification of Petitioner's request to City Council to approve this District:

The Chapel Heights development is an in-fill project consisting of approximately 42.04 acres of residential development. Development of the project will require substantial investment in project infrastructure, including but not limited to water system improvements, sanitary sewer and storm drainage improvements, street and roadway improvements, and park and recreation improvements, including a proposed community/recreation center. The Petitioner requests the City Council approve the Proposed Service Plan in order to allow for the project infrastructure to be eligible for tax-exempt financing. The District will also provide a mechanism to ensure that certain project

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infrastructure is constructed and maintained at a level commensurate with other first-class residential development located within the City of Colorado Springs. The District will also provide covenant enforcement and related functions in the project in order to minimize resident costs. There will be no homeowners association.

b. General description of future development plans, if known:

The project is intended to be developed for in-fill starter home residential lots and related amenities.

c. Identify any deviation from the Model Plan and provide an explanation/justification for each one:

The proposed Service Plan does not deviate from the Model Plan apart from increasing the operations and maintenance mill levy to 15 mills from 10 mills. The District requires a higher operations and maintenance mill levy because the District intends to operate and maintain certain park and recreation improvements, including a recreation center and playground, along with providing functions in place of an HOA such as covenant enforcement and common area maintenance and therefore additional funds are needed. In addition, reference to an inclusion area has been omitted.

Petitioner requests that the proposed Service Plan be presented to the City Council for consideration and further action at its Tuesday, September 10, 2019 meeting. Please do not hesitate to contact us if you have any questions. Thank you for your consideration.

Best regards,

/s/ Nicole Finco

Nicole Finco

cc: Carl Schueler

Enclosures