



**D | A | DAVIDSON**  
FIXED INCOME CAPITAL MARKETS

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D.A. Davidson & Co. member SIPC

November 5, 2015

Gold Hill Mesa Metropolitan District No.2  
c/o Peter Susemihl  
Susemihl, McDermott & Cowan, P.C.  
660 Southpointe Court, Suite 210  
Colorado Springs, CO 80906

Re: Gold Hill Mesa Metropolitan District No.2 – Series 2016 Tax Free Loan

Dear Mr. Susemihl,

D.A. Davidson as Placement Agent for Gold Hill Mesa Metropolitan District No.2 (“the District”), sent an RFP on September 10, 2015 to seventeen potential lenders to provide approximately \$6.4 million in financing to refund the District’s outstanding Series 2011A Senior Loan plus generate funds for a partial payment towards the outstanding Series 2011D subordinate bonds and new money for infrastructure costs related to the residential development.

The District reviewed the term sheets provided by lenders including their interest rate provisions and selected the most competitive option from U.S. Bank. A copy of the U.S. Bank term sheet is attached for your review. Furthermore, D.A. Davidson believes this rate to be reasonable given our involvement in other recent loan transactions. Although U.S. Bank is the existing lender on the Series 2011A Loan that is being refunded, this is not a related party deal.

Respectfully submitted,

***D.A. DAVIDSON & CO. FIXED INCOME CAPITAL MARKETS***

***Sam Sharp***  
Managing Director, Public Finance