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**VIA E-MAIL**

El Paso County  
Planning and Community Development Department  
Attn: Kari Parsons, Senior Planner  
2880 International Circle  
Colorado Springs, CO 80910  
[kariparsons@elpasoco.com](mailto:kariparsons@elpasoco.com)

**Re: Peaceful Ridge Metropolitan District  
Proposed Amended and Resated Service Plan Submission**

Dear Ms. Parsons:

Our firm is general counsel to the Peaceful Ridge Metropolitan District (the “District”). We are providing this letter as an introduction to the District’s letter of intent that is being submitted in conjunction with the District’s proposed amended and restated service plan (the “A&R Service Plan”) for consideration by the El Paso County Board of County Commissioners (the “BOCC”). We believe this letter is necessary to provide additional background information on the District and the need for the A&R Service Plan; information that does not necessarily fall into the categories of items that are included in the letter of intent.

First, we feel it is important to note that the District has been in existence and operating continuously since 2017. The BOCC approved the current service plan of the District on April 7, 2016 (the “Service Plan”) by Resolution No. 16-113. An election was then held on November 8, 2016, whereby the organization of the District was approved by the eligible electors. The District Court of El Paso County issued an Order and Decree Organizing the Peaceful Ridge Metropolitan District on January 27, 2017.

The District has continued to operate since 2017 and has been in full compliance with the applicable State law and County policies regarding special districts. Currently, there are no residents within the boundaries of the District as homes have not yet been built. Construction of those homes cannot occur until certain infrastructure is installed, which is the main reason the District is requesting approval of the A&R Service Plan. Per discussions with County Planning Staff, we have crafted the amendment as an Amended and Restated Service Plan, that will supersede and replace the original Service Plan approved in 2016.

Second, when the Service Plan was approved in 2016, it was estimated that the costs associated with the infrastructure capital costs would be approximately \$7.3 million. Based on these cost estimates, it was anticipated that a debt capacity of \$7.5 million would be adequate to meet the District's needs to finance certain improvements related to water, sanitation, drainage, street, safety protection, parks and recreation, mosquito control, television relay and translation (collectively, the "Infrastructure Improvements").

Third, due to the current economic environment with soaring interest rates, increased demands on the supply chain, and drastically increased costs for construction materials, the original debt capacity is insufficient to meet the needs of the District. Currently, estimated capital costs for the Infrastructure Improvements are approximately \$19.3 million. Given the disparity between the costs estimated in 2017 and those of today, the District needs to expand its borrowing capacity to finance the required Infrastructure Improvements that will allow for the successful development of the community.

In summary, approval of the A&R Service Plan will provide additional debt capacity to finance Infrastructure Improvements within the mill levy limits established by the County Special District Policies, which is necessary to account for increases in estimated costs due to inflation and other economic factors. Such approval will enable the District to fulfill the purposes for which it was organized in 2017.

We appreciate your attention to this matter and are available to be of assistance in any way required. Please do not hesitate to let us know should you have any questions. We look forward to working with you on the approval of the A&R Service Plan.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



Heather L. Hartung  
Of Counsel

CC: Board of Directors of Peaceful Ridge Metropolitan District  
William P. Ankele, Esq.