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File No. 5035740.0001

July 21, 2020

El Paso County
Planning and Community Development
Attn: Kari Parsons
2880 International Circle
Colorado Springs, CO 80910

Re: Proposed Grandview Reserve Metropolitan District Nos. 1 – 5

Dear Ms. Parsons:

We are responding to the June 30, 2020 letter submitted by Mr. Brian Matise on behalf of 4 Way Ranch Metropolitan District No. 1 (“4 Way Ranch No. 1”). Mr. Matise’s comments/objections do not justify denying the approval of the proposed Grandview Reserve Metropolitan District Nos. 1-5 (“Grandview Districts”).

As an initial matter, Mr. Matise references the possible exclusion of the Grandview Districts subject property from 4 Way Ranch Metropolitan District No. 2 (“4 Way Ranch No. 2”). Mr. Matise intimates that the proposed exclusion was undertaken in secret or for some nefarious purpose. Contrary to Mr. Matise’s assertions, the exclusion was done appropriately, publicly and in compliance with Colorado law. Upon submission of a petition for exclusion by the property owner, 4 Site Investments, LLC, and after publication of notice of the hearing, 4 Way Ranch No. 2 held a public hearing to consider the petition for exclusion. Following the public hearing, the Board of Directors of 4 Way Ranch No. 2 adopted a resolution approving the petition for exclusion conditioned upon organization of the Grandview Districts. In fact, on May 14, 2020, in connection with the proposed formation of the Grandview Districts, you were sent a letter from this office notifying you of the exclusion. Copies of 4 Way Ranch No. 2’s resolution and the May 14, 2020 letter are enclosed with this letter for your reference. The exclusion, as well as the proposed formation of the Grandview Districts is not an attempt to avoid any debt or litigation, but rather is the result of changed circumstances and a new overall development plan that makes this current multi-district structure more appropriate. The need for a broader multi-district structure is another reason why the Grandview Districts are being proposed rather than simply remaining in 4 Way Ranch No. 2. Contrary to Mr. Matise’s assertions the creation of the new Grandview Districts will isolate the financing and infrastructure costs related to the new developments from 4 Way Ranch No. 2 in order to facilitate this new development paying its own infrastructure costs.

Mr. Matisse's remaining objections are likewise without merit. For example, the on-going litigation referenced by Mr. Matisse has no relevance to the proposed Grandview Districts and, accordingly, should have no bearing on the County's consideration of whether to approve formation of the Grandview Districts. Additionally, Mr. Matisse's concern that the Grandview Districts should each be considered independently ignores the statutory criteria to be utilized by the County. Similarly, there is no reason to consider a material modification of 4 Way Ranch No. 2's service plan. As a practical matter, each of the individual districts that will make up the Grandview Districts will be considered as part of the submitted consolidated service plan that comprehensively addresses the components of the entire development plan and is tailored to how the districts will fit together through phasing. Moreover, contrary to Mr. Matisse's suggestion, a consolidated service plan is not only permissible but is common practice both locally and throughout the state.

Finally, the proponents of the Grandview Districts are not attempting to deceive anyone, whether with respect to debt or anything else. As noted in the May 2020 letter, the property that was excluded from District No. 2 does not have any outstanding indebtedness. As a result, the property that will constitute the Grandview Districts has no liability for any debt of 4 Way Ranch No. 2. Further, as the County is well aware, 4 Way Ranch No. 1 and 4 Way Ranch No. 2 were originally created in 2005. Circumstances have significantly changed since the formation of those districts. Rather than avoiding further issues, formation of the Grandview Districts is intended to resurrect the proposed development under a new and improved plan.

Sincerely,

SPENCER FANE LLP

/s/ Russell W. Dykstra
Russell W. Dykstra

Enclosures

**Resolution and Order of the Board of Directors for
4-Way Ranch Metropolitan District No. 2
regarding the
Petition for Exclusion of Property by 4 Site Investments, LLC**

WHEREAS, 4-Way Ranch Metropolitan District No. 2 ("District") is a quasi-municipal corporation and political subdivision of the State of Colorado, located in El Paso County, Colorado; and

WHEREAS, the District is governed by its board of directors ("Board") and operates pursuant to its Service Plan and §§ 32-1-101, *et seq.*, C.R.S. ("Special District Act"); and

WHEREAS, the District received a Petition for Exclusion of Property from 4 Site Investments, LLC ("Petitioner") on April 8, 2020 for the exclusion of property from the District's boundaries ("Petition"); and

WHEREAS, the Property consists of approximately 765 acres as described further in **Exhibit A** attached hereto; and

WHEREAS, the Petitioner tendered a deposit of \$2,500 to the District to pay all costs of the exclusion proceedings pursuant to § 32-1-501(1), C.R.S.; and

WHEREAS, the District published notice of a public hearing on the Petition on April 27, 2020 in *The Gazette* pursuant to § 32-1-501(2), C.R.S.; and

WHEREAS, the District held a public hearing on the Petition for Exclusion on April 28, 2020, at which time the Petitioner presented evidence in support of its Petition for Exclusion and the Board heard and considered such evidence; and

WHEREAS, no interested persons appeared at the public hearing to show cause in writing why the Petition should not be granted.

NOW THEREFORE, be it resolved and ordered by the Board of Directors of the 4-Way Ranch Metropolitan District No. 2 as follows:

1. **Findings of the Board.** The Board of Directors of the District after consideration of the factors set forth in § 32-1-501(3), C.R.S., hereby finds:

a. The Petitioner is currently working with El Paso County on the approval of a service plan for metropolitan districts for the project known as "Grandview Reserve" to finance public infrastructure and services necessary to support development of the Property. The Petitioner seeks to form the new districts because the Property is expected to be developed in a manner and timeframe not contemplated by the District's Service Plan. Granting the Petition and forming the new districts is anticipated to serve the best interests of the Property, the District, and El Paso County.

i. Granting the Petition is in the best interests of the Property because a new owner of the Property has modified the development plans for the Property and such plans

differ from what is contemplated by the District's Service Plan. The timing of the Property's development is also different from the timing contemplated by the District's Service Plan and other property within the District such that the Property may be developed sooner than otherwise projected. The formation of new districts to provide the public infrastructure for the Property will better facilitate the development of the Property.

ii. Granting the Petition is in the best interests of the District because costs related to construction and operation of unanticipated public infrastructure will be borne by the newly formed districts.

iii. Granting the Petition is in the best interests of the County because the County has the authority to consider and approve a new metropolitan district structure that will facilitate a reasonable and financially sustainable manner of development for the Property and the region as a whole.

b. The relative benefits to the Property outweigh the costs related to the Property's exclusion from service by the District. Exclusion of the Property is necessary for El Paso County to consider the formation of new districts to support the development of the Property. The Property is undeveloped and unimproved, and exclusion from the District and formation of the new districts facilitates the creation of specific financing and development plans for the public infrastructure needed to develop the Property.

c. Currently, the District lacks the ability to provide economical and sufficient service to the Property. The District's Service Plan contemplates coordinated development between District No. 1 and District No. 2. At this time, there is no concerted effort by these districts to support development of the Property. The Petitioner seeks to develop the Property sooner than the District is expected to provide the public infrastructure and services necessary for development of the Property, and the formation of new districts to support the development will facilitate more economical and sufficient service to the Property.

d. After the exclusion, the District will still have the ability to provide services to properties within its service area at a reasonable cost. Exclusion is expected to facilitate the District's provision of services to its remaining service area at a reasonable cost because the District will not be responsible for unanticipated costs associated with public services and infrastructure necessary to support development of the Property.

e. Denying the Petition is expected to negatively impact employment and other economic conditions in the District and surrounding area because it will prevent the formation of the new districts. The new districts are expected to promote the timely and cost-effective development of public infrastructure for numerous phases of development on the Property.

f. Approval of the Petition will have a positive economic impact on the region and on the District, surrounding area, and state as a whole because it will expedite development of the Property, which is anticipated to generate local construction jobs, increase the stock of dwelling units in the region, and increase the County's tax revenues through increased assessed valuation of the Property.

g. Economically feasible alternative service is expected to be provided by the new districts to be formed. The newly formed districts are expected to assist in a timely and phased development of public infrastructure to support development of the Property.

h. There are no substantial additional costs to be levied on other property within the District if the exclusion is granted. In addition, property remaining within the District's boundaries will no longer be responsible for costs of public infrastructure and services necessary to develop the Property.

2. **Determination of the Board.** Having made the aforementioned findings, the Board determines that pursuant to § 32-1-501(4)(a)(II)(A), C.R.S. the Petition for Exclusion is hereby granted, conditional upon the organization of a new special district or multiple districts for the purpose of providing necessary public infrastructure and services to the Property, on or before December 31, 2021.

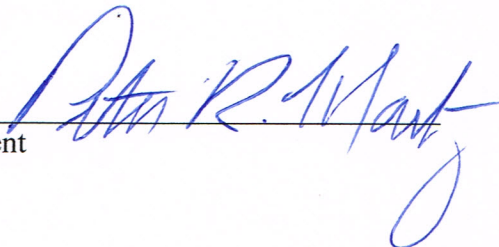
3. **Determination regarding District Debt.** Pursuant to § 32-1-503, C.R.S., all property within the District shall remain liable for its portion of outstanding indebtedness of the District that was incurred prior to the effective date of an order for exclusion. Indebtedness of the District as of the effective date of this resolution equals \$0.

[Signature Page to Follow]

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS FOR 4-WAY
RANCH METROPOLITAN DISTRICT NO. 2 DATED AND EFFECTIVE AS OF THE 28TH
DAY OF APRIL, 2020.

**4-WAY RANCH METROPOLITAN DISTRICT
NO. 2**

President



Attest:

Secretary/Asst. Secretary

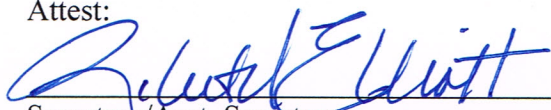


EXHIBIT A
(Legal Description of Property to be Excluded – 4 Site Investments, LLC)

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 21, THE SOUTH HALF OF SECTION 22, THE NORTH HALF OF SECTION 28 AND SECTION 27, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYOR'S CAP STAMPED "PS INC PLS 30087 1996", BEING APPROPRIATELY MARKED, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYOR'S CAP STAMPED "PS INC PLS 30087 1996", BEING APPROPRIATELY MARKED, BEING ASSUMED TO BEAR NORTH 00 DEGREES 52 MINUTES 26 SECONDS WEST, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 21; THENCE NORTH 00 DEGREES 52 MINUTES 26 SECONDS WEST ON THE EAST LINE OF SAID SECTION, A DISTANCE OF 2645.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 41 MINUTES 03 SECONDS EAST ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 22, A DISTANCE OF 3938.20 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 58 SECONDS EAST ON THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22, A DISTANCE OF 2117.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF THE ROCK ISLAND REGIONAL TRAIL AS GRANTED TO EL PASO COUNTY IN THAT WARRANTY DEED RECORDED OCTOBER 21, 1994 IN BOOK 6548 AT PAGE 892, RECORDS OF EL PASO COUNTY, COLORADO; THENCE ON SAID NORTHWESTERLY RIGHT OF WAY, THE FOLLOWING FIVE (5) COURSES:

- (1) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 758.36 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22;
- (2) NORTH 89 DEGREES 38 MINUTES 06 SECONDS EAST ON SAID SOUTH LINE, A DISTANCE OF 36.18 FEET;
- (3) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 3818.92 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27;
- (4) SOUTH 89 DEGREES 39 MINUTES 01 SECONDS WEST ON SAID NORTH LINE, A DISTANCE OF 36.17 FEET;
- (5) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 855.35 FEET TO A POINT ON THE EASTERLY LINE OF SAID SECTION 28;

THENCE NORTH 00 DEGREES 21 MINUTES 45 SECONDS WEST ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 591.16 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER; THENCE NORTH 00 DEGREES 21 MINUTES 38 SECONDS WEST ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1319.24 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28; THENCE NORTH 89 DEGREES 47 MINUTES 08 SECONDS WEST ON SAID SOUTH LINE, A DISTANCE OF 4692.55 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EXISTING EASTONVILLE ROAD (60.00 FOOT WIDE); THENCE ON SAID EASTERLY RIGHT OF WAY AS DEFINED BY CERTIFIED BOUNDARY SURVEY, AS RECORDED JULY 18, 2001 UNDER RECEPTION NO. 201900096, THE FOLLOWING FIVE (5) COURSES:

(1) ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS NORTH 04 DEGREES 31 MINUTES 28 SECONDS EAST, HAVING A DELTA OF 24 DEGREES 31 MINUTES 32 SECONDS, A RADIUS OF 1630.00 FEET, A DISTANCE OF 697.73 FEET TO A POINT OF TANGENT;
(2) NORTH 07 DEGREES 40 MINUTES 18 SECONDS WEST, A DISTANCE OF 777.34 FEET TO A POINT OF CURVE;
(3) ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 39 DEGREES 01 MINUTES 10 SECONDS, A RADIUS OF 1770.00 FEET, A DISTANCE OF 1205.40 FEET TO A POINT OF TANGENT;
(4) NORTH 31 DEGREES 20 MINUTES 52 SECONDS EAST, A DISTANCE OF 1517.37 FEET TO A POINT OF CURVE;
(5) ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 02 DEGREES 07 MINUTES 03 SECONDS, A RADIUS OF 1330.00 FEET, A DISTANCE OF 49.15 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;

THENCE SOUTH 89 DEGREES 50 MINUTES 58 SECONDS EAST ON SAID NORTH LINE, A DISTANCE OF 3635.53 FEET TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION CONVEYED IN DEED RECORDED AUGUST 24, 2005 AT RECEPTION NO. 205132124;

AND EXCEPT A PORTION OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTHERLY LINE OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE NORTHWEST CORNER AND THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM CAP STAMPED "PS INC 1996 PLS 30087", BEING ASSUMED TO BEAR SOUTH 89 DEGREES 47 MINUTES 04 SECONDS EAST A DISTANCE OF 5285.07 FEET.

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 28; THENCE SOUTH 29 DEGREES 17 MINUTES 14 SECONDS EAST, A DISTANCE OF 1315.12 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 58 MINUTES 12 SECONDS EAST, A DISTANCE OF 288.62 FEET; THENCE SOUTH 41 DEGREES 03 MINUTES 22 SECONDS WEST, A DISTANCE OF 139.03 FEET; THENCE SOUTH 41 DEGREES 52 MINUTES 38 SECONDS WEST, A DISTANCE OF 21.11 FEET; THENCE SOUTH 44 DEGREES 47 MINUTES 01 SECONDS WEST, A DISTANCE OF 42.37 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 08 SECONDS EAST, A DISTANCE OF 679.35 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 52 SECONDS WEST, A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28; THENCE NORTH 89 DEGREES 47 MINUTES 08 SECONDS WEST AND ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28, A DISTANCE OF 934.84 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EASTONVILLE ROAD AS RECORDED IN THE EL PASO COUNTY RECORDS JULY 18, 2001 UNDER RECEPTION NO. 201900096, SAID POINT BEING A POINT ON CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS NORTH 73 DEGREES 08 MINUTES 46 SECONDS WEST HAVING A DELTA OF 06 DEGREES 19 MINUTES 02 SECONDS, A RADIUS OF 1630.00 FEET, A DISTANCE OF 179.72 FEET TO THE POINT OF BEGINNING.



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File No. 5035740.0001

May 14, 2020

El Paso County
Planning and Community Development
Attn: Kari Parsons
2880 International Circle
Colorado Springs, CO 80910

Re: Exclusion of Property from 4-Way Ranch Metropolitan District No. 2

Dear Ms. Parsons:

We previously submitted a Letter of Intent and Service Plan for the proposed formation of Grandview Reserve Metropolitan District Nos. 1 - 5 (collectively, the "Districts"). The property within the Districts encompasses approximately 765 acres of land generally located northwest of Highway 24, east of Eastonville Road, south of Latigo Boulevard, and north of Stapleton Road in El Paso County, Colorado ("Grandview Reserve Property"). At the time of our submittal, the Grandview Reserve Property was located within the 4-Way Ranch Metropolitan District No. 2 (the "4-Way District"). On April 28, 2020, the Board of Directors of the 4-Way District approved the exclusion of the Grandview Reserve Property from the boundaries of the 4-Way District, conditioned upon the organization of the Districts pursuant to Section 32-1-501(4)(a)(II)(A), C.R.S. The executed Resolution and Order of the Board of Directors of the 4-Way District regarding the Petition for Exclusion of Property by 4 Site Investments, LLC is enclosed herewith ("Resolution"). The 4-Way District does not have any outstanding indebtedness and therefore the Grandview Reserve Property is not liable for any debt of the 4-Way District.

Upon the formation of the Districts, it is anticipated that the 4-Way District will file a certified copy of the Resolution with the El Paso County District Court. We will provide your office with the recorded order from the Court excluding the Grandview Reserve Property once it becomes available. Please feel free to contact me if you have any questions or concerns.

Sincerely,
SPENCER FANE LLP

/s/ Pat Hrbacek
Pat Hrbacek

Enclosure